# DEPARTMENT OF AGRICULTURE APPROPRIATIONS FOR 1956

## HEARINGS

BEFORE THE

## SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

EIGHTY-FOURTH CONGRESS

FIRST SESSION

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SUBCOMMITTEE ON DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS

JAMIE L. WHITTEN, Mississippi, *Chairman*

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| FRED MARSHALL, Minnesota | H. CARL ANDERSEN, Minnesota |
| CHARLES B. DEANE, North Carolina | WALT HORAN, Washington |
| WILLIAM H. NATCHER, Kentucky | CHARLES W. VURSELL, Illinois |

ROSS P. POPE, *Executive Secretary to the Subcommittee*

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### PART 4

### TESTIMONY OF MEMBERS OF CONGRESS, INTERESTED ORGANIZATIONS, AND INDIVIDUALS

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Printed for the use of the Committee on Appropriations

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# DEPARTMENT OF AGRICULTURE APPROPRIATIONS FOR 1956

## Research on Virus of Apple Tree Stock

Thursday, February 3, 1955.

### WITNESSES

**HON. BEN F. JENSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA**

**L. R. SJULIN, INTERSTATE NURSERIES, HAMBURG, IOWA**

Mr. Jensen. Gentlemen, this is kind of you to give us the opportunity to appear, here.

Mr. Sjulin is one of the owners of the Interstate Nurseries at Hamburg, Iowa, a nursery which has been in existence for 35 years.

Of course, they deal in all kinds of fruit trees and they, like other nurseries, are now troubled with a virus which has gotten into the apple trees.

Mr. Sjulin walked into my office, today, and told me of this problem, and the problem of other nurseries, which I could readily see was serious and my first thought was of this committee being in session, and I said, "Well, I am going to see if I can't get you in to explain this thing to the members of the subcommittee on Appropriations for Agriculture.

I called and the committee was kind enough to say "Yes."

With that, I want to introduce Mr. L. R. Sjulin, Vice-President of the Interstate Nurseries at Hamburg, Iowa.

Mr. Sjulin.

Mr. Whitten. We are glad to have you, Mr. Sjulin, and our colleague, Ben Jensen from Iowa, who has served on the Appropriations Committee with us for many years.

We were pleased to make this exception to our general practice and hear you, Mr. Sjulin, while you are in Washington. Normally, we wait until we finish the rest of the hearings with departmental witnesses, but we are glad in this case to make the exception, and we will be glad to listen to you.

Mr. Sjulin. I came down here this morning, and went out to the plant industry station and spent the morning with Dr. Cullinan and his colleagues.

Here is a section of a Yellow Delicious apple tree [indicating]. You can see there, there are your rings for the yearly growth. First year O. K., second year O. K., third year O. K. The fourth year it begins to get a little wavy. Then each year it gets more so. Now, here is last year.

I am just a farmer and nurseryman, but they call it pitting. This is for dwarfing apple trees, primarily. When we started that we went to Ames. They talked of Virginia rootstock as the most suitable. We all used Virginia. This tree was on Virginia stock. The peculiar thing is that in the first years the trees were fine. Purdue came to Ames and got some trees, they got some Virginia stock and some Grimes Golden. The Grimes Golden were set out and I think they are still alive and bearing. Then they propagated from those trees, from this same original tree that they had, the Virginia stock and the Grimes Golden and planted a second orchard.

For about 15 years, that orchard was O. K. Then it started going bad. Then a few years later, they planted a third orchard going back to those original trees that they got from Ames, and that third orchard went bad right now.

I was at Ames Tuesday of this week, and Harvey Lantz says that the trees that they are now planting, or planted a few years ago at Council Bluffs, using Virginia stock, are going bad, and we are getting the same report from as far up as British Columbia.

We thought a few years ago that this Virginia was "it." We thought it was the ideal stock.

I came here to ask these gentlemen what we should use, what they recommended. For us as nurserymen to use in producing trees. They couldn't tell me. They don't know for sure what this is. They are almost positive it is a virus because they don't know anything else that could produce the same results.

But I couldn't find out what I should use because they haven't done any work.

Now, they want to do it. That is the reason why I came to Mr. Jensen and I said, "something has to be done, because there is no telling how far that thing is going to go, or what other apples it is going to affect."

You know you could have it in your orchard, Mr. Horan. It might be a tree that bore well, and then you would have a neighbor tree that didn't bear well. You didn't know why. Nobody knew why. You don't know whether it was the root—maybe there is some virus, there. And that is the whole thing. That is just the whole thing in a nutshell. Somebody has got to get busy on this thing and find out what it is, and effect a cure.

If you don't, some of these days you may wake up and find out, it is in your apple industry in the State of Washington. We have it in New York, West Virginia, Virginia, Michigan, and that thing might spread and you don't know what the end will be.

And so work needs to be done.

Mr. HORAN. Does this occur only in dwarf apple trees?

Mr. SJULIN. No. No. In British Columbia, there, they had used Virginia for what they call framework. You know, where they have the tree itself—which would be a Virginia—then they would bud or graft on the varieties on the branches. They are going bad.

Mr. MARSHALL. Do they relate this all back to the Virginia graft or do they have other trees picked it up since?

Mr. SJULIN. It has come in more with Virginia for the simple reason we thought that stock was the ideal stock.

Mr. HORAN. Has this positively been identified as a virus?

Mr. SJULIN. No, it has not.

The stock from that tree came from the original trees they got from Ames, and those trees were alive—I think they are still alive—I was there last week but it was a very bad, blustery day and I didn't go out to the orchard.

If it weren't for that—here is your old original tree and here is your second orchard that lasted and was good for 12 to 15 years—I didn't know I was going to be here, gentlemen, or I would have brought all that with me. I could have showed you the whole thing.

But the third orchard went bad right now. So what other explanation could it be?

Mr. HORAN. Did you talk to Dr. Shaw or Dr. Moseman on this?

Mr. SJULIN. I just talked to Dr. Moseman as I came in.

Mr. HORAN. They said they would be glad to talk to you in the morning if you are still here?

Drs. Shaw and Moseman are the ones who would get action on it and I think you should.

Mr. WHITTEN. Your testimony will be a matter of record. We will have these folks here and will have a chance to call it to their attention further.

Now, the way these matters are handled: The Department of Agriculture has from 35 to 40 million dollars for research problems all over the United States. In addition, the Federal Government made about $19 million available to the State experiment stations in grants last year. They are asking for a $5 million increase this year.

The problem we have here in the committee is urging them to do necessary work. They have all these employees. We do not appropriate for each specific item. We have a constant job of pushing them to take the people they have and meet the problems that come up.

Now, the answer they usually give is, "We don't have any money for that."

They have money for research and with the money they have they ought to be able to take on urgent research problems like this.

Mr. HORAN. Much of that is a standard answer.

Mr. WHITTEN. This is a standard answer for that. There is always the problem of what to take first.

The State experiment station gets so much from the Government. The hearing will show your statement in connection with this. We will have occasion to call it to the attention of these people who look over it all, and if they can see that it is serious and that something should be done about it. Then through the State experiment station they have another way of reaching it.

We do not make specific appropriations to each apple tree, or each project. We just never would get anywhere. We do have them come before us and point out what they have in mind. But after they do that there is complete latitude left to them in selecting specific projects.

Further the departmental law governing the Department of Agriculture, gives them authority to transfer up to 7 percent from one appropriation title to another. So it is just a case of whether the problem is serious enough for them to give some attention to it.

The record will show what you have said about it, and we will call it to their attention.

Mr. HORAN. May I ask you a question?

Have you talked to Paul Stark about this?

Mr. SJULIN. No. They have switched. They are not using Virginia any more.

Mr. HORAN. This is of vital concern to all the nurserymen and through your associations, I think your line of approach to this ought to be through nurserymen, as you can contact. The nursery associations are very valuable.

As the chairman says, we have the problem of having our researchers do the necessary work, rather than the research that they want to attend to.

They all have their hobbies in their research fields, and sometimes that doesn't always fit the amount of money we have to cover the work, in addition to the things that must be done. You want an answer, here.

Mr. SJULIN. The USDA gave $12,000 and the State gave $50,000. In other words, they put in more than $4 for every $1 you put in there.

Mr. HORAN. Was that Iowa taxpayers' money?

Mr. SJULIN. No. That was from the States that cooperated on this virus. This is a brand new report just finished up at Ames the day I was there.

Mr. JENSEN. Did the State not get their money from the Federal Government to start with?

Mr. SJULIN. No, they got $12,000 that came from the Department here.

Mr. HORAN. We give it to the State and then the State puts it back in the project.

Mr. SJULIN. No, this is money that the States themselves took out of their funds.

Mr. HORAN. Was it spent at Ames?

Mr. SJULIN. No. I will say Illinois put in $2,650, Indiana $1,965, Iowa $3,625, and Missouri put in $7,200. Michigan, $778. That was State money, not Federal.

Mr. HORAN. When we give them $24 million, is it State money? You ask them.

Mr. WHITTEN. We are not trying to pass judgment on that, I am sure. But what he is pointing out is that the Federal Government provided in grants to the various States last year $19 million. Once they receive the check then it becomes State money. Then they allocate it around as they see fit.

Now, I am talking about the general policy. I don't know about the particular case you are discussing.

Mr. SJULIN. I went up to the dean at Ames, the dean of the agricultural college. I knew work had to be done on this. I know it has to be done. I don't know who will do it or where, but it has to be done. There is no argument about that. How it will be financed and those things, I don't know, but I said, "Dean Andre, what can you do up here?" And then he told me about this. He said, "United States Department of Agriculture has two men there, Hoover and Dodge, largely on plant introduction work." They pay three-fourths of the expense for that program out of State money, and that isn't out of your $19 million. That is out of money that we as citizens of the State of Iowa pay in State taxes.

Mr. HORAN. How do you suppose they spend the money we give them?

Mr. SJULIN. That is the easiest thing in the world to do, spend money, you know that.

I only tell you what they told me.

Mr. HORAN. We are not arguing that.

Mr. WHITTEN. We do appreciate this chance to hear of your problem.

I am like you, I still don't know where the problem will be met. But each of these efforts should contribute toward getting some recognition by the people who have money to do this kind of research. It is a case of getting them to put this ahead of other things they are doing. We have spent days here trying to get them to look forward to new problems and cut out what they had cured or didn't see any answer to.

Mr. JENSEN. Mr. Sjulin is one of these rugged individuals who says exactly what he thinks and that is the way we like it out in Iowa and I am sure you folks like it that way, too. Mr. Chairman, your committee has been very kind to give us this hearing. I hope our efforts will bear good fruit.

Mr. WHITTEN. We also have been pleased to have our colleague, Ben Jensen, here with us, too.

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THURSDAY, MARCH 3, 1955.

## AGRICULTURAL MARKETING SERVICES

### WITNESSES

**NATIONAL ASSOCIATION OF SECRETARIES AND COMMISSIONERS OF AGRICULTURE**

**HAROLD HUTTON, OKLAHOMA, PRESIDENT AND MEMBER OF THE EXECUTIVE COMMITTEE**

**W. C. JACOBSEN, CALIFORNIA, VICE PRESIDENT**

**FRED J. NUTTER, MAINE, PRESIDENT OF THE NORTHEAST ASSOCIATION OF COMMISSIONERS OF AGRICULTURE AND MEMBER OF THE EXECUTIVE COMMITTEE OF THE NATIONAL ASSOCIATION**

**L. Y. BALLENTINE, NORTH CAROLINA, CHAIRMAN OF THE ADVISORY COMMITTEE ON MARKETING SERVICE WORK IN THE STATE DEPARTMENTS OF AGRICULTURE AND MEMBER OF THE EXECUTIVE COMMITTEE OF THE NATIONAL ASSOCIATION**

Mr. MARSHALL. Gentlemen, we are pleased to have you here. You may proceed.

Mr. BALLENTINE. Mr. Hutton, president of our association, I think, would like to make a few introductory remarks.

Mr. HUTTON. In brief, as president of the executive committee of the national association, I would like to express our appreciation for this opportunity to meet with you for a few minutes and, specifically, we are here to assure you of our interest in the proposed $100,000 increase for Agricultural Marketing Services which is a program, of course, which is cooperative between the States and the Federal Government, is operative in 36 of the 48 States, a good program, we think, is doing a lot of good, and we are interested in this increase. Commissioner Ballentine, who is the chairman of the advisory committee

on agricultural marketing services of our national association, is prepared to give you more in detail something about the program. Thank you very much.

Mr. BALLENTINE. Mr. Chairman, you gentlemen are familiar with the work that is being done in the field of agriculture. You are conscious, I am sure, of the tremendous progress that has been made in the area of agricultural production during the past years. This has come about throught an expanded program of research and an enlarged educational program being carried on by the extension service. During that period of tremendous growth and production, we have failed, I think, to keep pace with our marketing program.

The future growth of agriculture, in my opinion, will not be limited by our ability to produce but, rather, by our ability to sell. It was this thought, I think, that prompted the commissioners of agriculture back in the early forties to work on legislation designed to implement the marketing program in this country for agricultural commodities.

In 1946, an act was passed known now as the Marketing Act of 1946 which provided for research, education, and service work in the field of marketing. The Departments of Agriculture of the several States, with few exceptions, are carrying on the service work of the marketing program under the 1946 act.

At the time the act became effective and appropriations were had to implement the activities under that act, the departments of agriculture in the several States were not prepared to go into a matching program, and it is a matching program, the funds which go to the departments of agriculture, and, consequently, Federal funds were available which could not be used. As a result of that, and we are certainly not objecting to the procedures that were followed, much of that money went into other areas of operation. Consequently, the departments of agriculture got a small amount of the funds which were appropriated. I repeat that this was due to the fact that the legislatures had not made funds available for the departments to match the Federal funds.

As time passed and legislatures became more interested and a little more liberal by way of making appropriations, additional States have been able to secure the funds for matching the Federal funds.

We have had a continuous increase of States coming into the program. Up until last year, we had about 35 States and 1 or 2 Territories. During the year, or maybe at the beginning of the year, we had 5 new States coming in, so, at the present time, we have 36 States and 1 or 2 territories participating.

We think that if the research program that is now in force as it relates to marketing agricultural commodities is to become effective and to bear fruit, bear the greatest dividends, it will be necessary for us to carry on an extended and step-up program of service in order that the research benefits may be put into operation.

The program as designed, treats the marketing program along four different lines. One type of work is directed toward expanding the outlets for market profits. Another service is that of collecting and disseminating vital data helpful to the market in making current decisions and in planning marketing programs.

The third area covered by the service program provides for the program of maintaining the quality of products as they pass through the marketing system by use of better harvesting, grading, storing, packing and handling techniques.

Fourth, the field of marketing service work is devoted to reducing costs and increasing operating efficiency.

I would like to submit this brief which was made up by the United States Department of Agriculture as chairman of the committee for the purpose of giving to the commissioners of agriculture and those interested in the marketing service work in the State departments of agriculture some firsthand information on what is being done in several of the states and in the several areas of work.

Mr. MARSHALL. We will be glad to receive that statement and it will be printed in the record.

(The information referred to follows:)

MARKETING SERVICE WORK IN STATE DEPARTMENTS OF AGRICULTURE

(Financed jointly by Federal and State appropriation)

GENERAL STATEMENT

The matched fund marketing service work being carried on by State departments of agriculture, under the authorization of the Agricultural Marketing Act of 1946, is designed to help marketing agencies at each level of distribution to put into use the best known marketing practices as they are brought to light by research under the act and by other agencies, both private and public. Service programs of this nature are going forward in 36 States, Alaska, Hawaii and the Commonwealth of Puerto Rico this year compared to 31 States, the 2 territories and Puerto Rico in 1953–54. The five new States in the program are Florida, Pennsylvania,, New Jersey, Ohio and Oregon. Existing service programs were expanded this year in 18 States and Territories including California, Colorado, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Minnesota, Mississippi, North Carolina, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Alaska, and Puerto Rico. Cooperation in this work is being provided by industry and trade groups, growers, State extension services and experiment stations, vocational educational agencies, various agencies in the USDA, and other interested groups. In 10 States, industry groups have helped pay the cost of the work.

The matched fund program serves the producers of virtually all farm commodities including cotton, tobacco, livestock, wool, honey, tree fruits and nuts, small fruits, vegetables, potatoes, poultry and eggs, grain, seed and dairy products. Four principal types of service activity are being carried on under this program:

1. One type of work is directed toward expanding the outlets for farm products. It consists of finding outlets for local seasonal surpluses and of increasing consumption of products chronically in abundant supply. Producers are assisted in disposing of local seasonal surpluses by special information services under which shippers, brokers, truckers and other potential buyers are provided with up-to-date information on location, anticipated supplies, harvest dates and peak production periods for the products concerned, and by special promotional campaigns during the surplus periods.

Services designed to increase consumption on a long-time basis include assistance to producers, shippers, wholesalers and retailers in improving the effectiveness of their merchandising and advertising activities; special surveys to ascertain the opinion of the trade regarding the changes shippers might make in their grading, packing, merchandising and other marketing methods to improve the consumer acceptability of their products; and assistance in determining where additional outlets such as milk vending machines should be established to justify their permanent installation.

Seventeen States are engaged in market expansion activities.

2. A second major field of work is the collection and dissemination of basic data helpful to marketers in making current decisions and planning marketing programs. In this field experimental market news services are being provided for local markets not now covered by regular services. Local market news information is becoming increasingly important with the trend to decentralized packing and processing, the bypassing of terminal markets, and direct selling at country points. These experimental programs are coordinated with the regular services and are limited to a 2-year period. If successful, they may be supported with regular funds at the close of the experimental period.

Information helpful in program planning include information to supplement the Crop and Livestock Reporting Service on such subjects as trends in production, changes in consumer demand, the competitive situation in markets, storage holdings and rate of disappearance, and data designed to yield a basis for more dependable crop estimates such as fruit tree censuses, and objective samplings of crops at various stages of growth. The collection, analysis, and dissemination of these types of data are handled by the Federal-State statisticians in the various States.

Basic data services are being provided in 32 States.

3. The State departments of agriculture also are providing services related to maintaining the quality of products as they pass through the marketing system by use of better harvesting, grading, storing, packing and handling techniques. In this connection, improved marketing methods are discussed with and demonstrated to the various agencies concerned and firsthand assistance in their application is provided at the farm, the local assembly point, the processing plant, the storage facility, the wholesale market, the retail store and in transit between the various concentration points. Also State label programs for various products are being encouraged to provide incentive for quality marketing.

Work in the quality maintenance field includes assistance in developing better marketing methods as well as assistance and demonstration in applying existing techniques. For instance, recent developments in objective methods of determining maturity of growing crops permit growers, packers and processors to better judge when harvesting operations should begin and assist enforcement agencies in grades and standards work. Tests of the incidence of bruising and damage using various packing and loading techniques indicate where improvements are needed in these operations.

Quality maintenance programs are going forward in 24 States this year.

4. The fourth field of marketing service work is devoted to reducing costs and increasing operating efficiency. Marketing agencies are shown the kinds of handling equipment and methods best suited to their operations, and assistance is provided in improving existing facilities and in designing and locating new facilities such as livestock auctions, poultry processing plants, grain elevators, milk plants, country fruit and vegetable assembly markets and terminal markets.

Fourteen States are engaged in programs of this type.

The need for programs to assist in adopting new techniques is growing as marketing problems become more pressing, marketing costs increase, and the volume of problem-solving research increases. The accomplishments obtained in improving marketing in most States have resulted in expanding programs. Little difficulty is encountered in securing funds from State legislatures when tangible results show how they pay off in increased income to farmers and reduction in costs of marketing. In most States the legislatures are now in session, and the amounts of money they will appropriate to match Federal funds under this appropriation will not be known until late spring. However, many States have reported their intention to expand their marketing service program and some additional States have notified the Department that they would like to come into the program. Hence, the requested increase of $100,000 in Federal funds for the year beginning July 1, 1955, will be sufficient only to match funds for the best projects that are submitted. The work being done has been reviewed and approved by the industry advisory committees established pursuant to the Agricultural Marketing Act of 1946, and the projects submitted for expansion will be handled on the basis of the recommendations of these committees.

During the year, several steps were taken to improve the quality of the work being done under this program. Results of the work being done in each State were sent to every State in order to give each the benefit of the experience of the others. A 3-day intensive short course on how to improve the marketing service work was attended by 128 people from 30 States and Territories, and the United States Department of Agriculture. Research results pertinent to the service work underway were sent to the persons needing them. Subject matter specialists of the Agricultural Marketing Service visited some States to help improve the work being done in specific fields. An advisory committee representing State departments of agriculture reviewed and evaluated the work underway and reached conclusions on the types of activities which should be encouraged. In order to foster cooperation among State agencies engaged in marketing work, representatives of State experiment stations, extension services, and departments of agriculture spent 2 days developing procedures and methods of coordinating the activities of these agencies in solving marketing problems.

The examples presented below illustrate the types of work being done by fields of activity and by State.

EXAMPLES OF WORK BEING CARRIED ON

*1. Expanding outlet for potatoes*

In Maine, the Department of Agriculture assisted the Maine Potato Tax Committee in the development of its potato advertising program, particularly in the design of display material and by providing experienced personnel to operate exhibits at produce shows and conventions. At the Eastern States Exposition, the Department directed the Maine agricultural exhibit in which the principal items on display were sized and washed potatoes in polyethylene bags. In addition, samples of Maine baked potatoes were made available to those in attendance. To determine consumer preference with respect to variety, tests were held in retail stores in which four varieties identically displayed and packaged were offered for sale. The Department, in cooperation with the Maine Potato Tax Committee directed a special promotional program aimed at encouraging the packaging and sale of sized and washed potatoes in polyethylene bags. This program was divided into two principal phases. The first involved (a) obtaining the cooperation of shippers in furnishing a dependable supply to retailers during an experimental 3-day promotion period, (b) obtaining the cooperation of several large supermarkets in 2 cities in merchandising these specially handled and packaged potatoes, and (c) publicizing the product among consumers by newspapers and radio for the 3-day period. The second phase was concerned with (a) promoting the handling of the product among wholesalers by advising them on the greatly increased sales which resulted from the experimental merchandising program, and how an expanded sizing, washing and visible packaging program would benefit all elements of the trade, (b) furnishing cooperating wholesalers with advertising material for their retail customers and lists of shippers using polyethylene containers, and (c) assisting producers and shippers in expanding existing warehouses and building new ones to accommodate the washing, sizing and packaging equipment required. As a result of the program and the acceptance of the better quality, more attractively packaged potatoes, the total number of potato washers in Maine increased from 4 to 12 during the year.

Programs of this nature were also conducted in North Carolina, Alaska, and Indiana.

*2. New market information for livestock*

The Iowa State Department of Agriculture initiated a quarterly market report on sow farrowings in lieu of a semiannual report to serve as an aid in forecasting shipments of hogs to market. Producers found the more frequent reporting valuable in making marketing decisions. The value of the report was soon recognized throughout the Middle West and a similar reporting schedule was established in five other important hog producing States, namely, Indiana, Illinois, Wisconsin, Minnesota, and Kansas. The other States and Iowa exchange information through their Federal-State statisticians thereby providing producers with a means of keeping in touch with regional developments.

The Iowa Department of Agriculture also reported January 1 livestock inventory patterns, and assembled data on the seasonal pattern of calf births, age of hogs marketed, and litter sizes by months.

*3. Improving grain handling facilities*

Because of inadequate drying, storage and processing facilities, much locally produced grain in the Southeastern States suffers abnormal deterioration and, as a consequence, is sold at a substantial discount. Technical assistance in establishing and operating improved and new processing, drying and storage facilities has been quite fruitful in North Carolina over the past several years resulting in better grower prices and measurable saving in the cost of marketing. Last year, for instance, it is estimated that the improved quality of grain and the better bargaining position of the producer brought about by the availability of improved marketing facilities increased grower prices by from $0.05 to $0.20 per bushel, depending on the area. Increased efficiency resulted in saving of $0.05 per bushel for corn and small grain, and $0.10 per bushel on soybeans.

Similar work is gaining momentum in Virginia, South Carolina, and Kentucky. In South Carolina, growers' groups were assisted in appraising their facility needs. For instance, one group abandoned plans to construct a $100,000 grain

storage elevator after considering data presented by marketing specialists indicating that the present and likely future grain supplies in the area did not justify the venture. In contrast, an existing grain cooperative is planning to double present plant capacity as a result of a similar survey on feasibility. The cooperative will also be assisted in planning plant layout for the new facilities. In April, 9 grower meetings, with an aggregate attendance of 500 persons, were held in South Carolina to stress the importance of proper grain handling and storing on the farm and to indicate the proper techniques and facilities to be used to prevent damage from insects, rodents and moisture. A publication entitled, "Save More in 1954; Grain Conservation Program" was presented at the meetings and otherwise circularized about the State. It is believed that the farm facilities installed last year, stemming in part from these activities, resulted in significantly higher returns to the farmer for his grain crop in cash and as feed because of less loss and better quality.

*4. Increasing milk consumption*

In Washington, the dairy industry formed an extra milk marketing committee, whose objective was to develop wider distribution of milk. This committee composed of representatives of producers, processors and other allied groups, believed that the lack of availability of milk at possible consuming points was a major deterrent to the expansion of milk consumption. To help correct this situation, the committee requested the help of the State deparment of agriculture in testing the use of vending machines strategically located in factories, depots, schools and elsewhere. With the help of vending machine companies, who supplied machines for this project, information was gathered regarding the types of locations where sufficient milk would be consumed to justify the permanent installation of the machines. Also valuable data were obtained on the differences in consuming habits of persons engaged in various types of activity. For instance, men working in heavy industry indicated that they prefer to buy one-third of a quart at each purchase rather than the customary half pint.

Market expansion programs for dairy products were also carried on in Kansas, Wisconsin, North Carolina, Kentucky, and Louisiana.

*5. Improving fruit and vegetable quality*

Work was continued in California in the development of more dependable methols of determining minimum maturity of fruits and vegetables; in 1953–54 principally oranges, apples, freestone peaches, grapes, Persian melons and watermelons. Such methods are used by industry in picking operations and by enforcement agencies in grades and standards work. For instance, the Agricultural Code of California requires oranges to have at least 25 percent of the characteristic color before picking. Tests were conducted to determine (1) whether a more rigid picking color standard would result in higher quality, and (2) the relation of the sugar-acid ratio test to color. In addition, the adequacy of the descriptive terms promulgating color standards was appraised. The results of the tests, though still inconclusive, indicate that the soluble solids content of the fruit increases and the acidity decreases as the percentage of natural color at time of picking increases. Also the more highly colored fruit completes the coloring process more effectively during "sweating."

The minimum standards of quality in the code applying to low temperature damage specify that freezing is serious if it causes "drying or desiccation in 20 percent or more of the exposed pulp as shown on a transverse cut through the center." Some industry members contend that this measure is inadequate to establish the extent of frost damage because desiccation appears in other portions of the fruit as well as the center. As a result, tests were conducted to determine the extent of damage in the several portions of the fruit. Early indications are that frost damage does occur in portions of the fruit other than the center and that a more thorough check of such damage prior to shipping would insure the marketing of better quality fruit.

Eighteen other States are engaged in quality maintenance work for fruits and vegetables.

*6. Technical assistance in maintaining cotton fiber quality*

Assistance was provided in the establishment and operation of improved and new ginning facilities in the interest of maintaining fiber quality in North Carolina, Louisiana, and Virginia. In North Carolina marketing specialists made 525 visits to cotton gins, appeared on 15 club and farm organization programs, participated in 50 ginner group and 25 cotton production meetings, held 75 con-

ferences with Extension Service personnel and 25 with cotton mill technicians, and attended 6 textile meetings. Over one-half million dollars worth of new ginning machinery and equipment were installed with the assistance of members of the staff. Gin damaged or "rough prep" cotton has been reduced from 15 to 0.01 percent of the crop in the 6 years this program has been operating.

The North Carolina program also includes encouraging the sale of cotton by producers and ginners on the basis of laboratory tests showing fiber length, strength, fineness, uniformity, maturity and other characteristics. The volume sold on this basis has increased steadily in recent years. Specialists collect cotton samples weekly from a representative number of gins scattered about the State, conduct the necessary tests and release results bimonthly to cotton mills and merchants. The influence of test results on prices paid is being publicized among growers and ginners to provide an incentive to produce desirable varieties of cotton and to maintain effective ginning practices.

*7. Developing more dependable methods of forecasting fruit production*

At the request of marketing order advisory boards, the California Department of Agriculture began this year to test the feasibility of using objective sampling methods to forecast more accurately the production of Bartlett pears and cling peaches. These tests appear promising and are yielding a considerable amount of valuable related data as a byproduct. For instance, the information gathered in the course of the tests indicate growth rate of fruit, advance information on the degree of injury from insects, disease and weather, and early indications of sizes and grades at maturity. In Michigan work has been conducted on the development of more dependable methods for forecasting sour cherry production. Yield per tree and likely production can be estimated with increased accuracy using as a basis the recent tree count, growers' reported percent of full crop, and an index of crop maturity based on daily maximum temperatures.

*8. Improving market facilities for dairy products*

Wisconsin continued its program of assisting cooperative dairy plants in their consolidation programs. The services include advice on methods of reorganizing and financing and help in planning operational procedures. Since 1949 the number of dairy plants has declined from 2,250 to 1,807 with an accompanying increase in volume handled per plant. The larger plants are generally more efficient and handle a full line of products permitting more flexibility to fit production schedules with demand.

Considerable technical assistance was also provided in Wisconsin in the development of packages designed to maintain quality of cheese and butter for longer periods; attract the attention of consumers with respect to design, weight, size and shape; and result in economies in packaging operations, handling and storage. Retail cheese counters in Wisconsin and out-of-State stores were checked for moldy packages and attention was given to methods by which mold in prepacked cheese can be reduced. Swiss cheese manufacturers were assisted in developing more effective methods of salting cheese—historically a problem in swiss cheese making. Tests on butter packaging have demonstrated which packaging materials provide the most protection against light and odors, and producers are being encouraged to use these types of material.

*9. Basic market information*

A peach tree count conducted in Michigan revealed that the number of bearing trees dropped 10 percent per year the past 2 years. Cherry trees were also counted in Michigan. In Illinois, county data were assembled and disseminated on the number of apple and peach trees by variety and age, and on production. There the tree population is only one-fifth that of 1924. Information on total apple and grape acreage and trends in new plantings by varieties on a county basis was collected and summarized in New York. These data were used by the extension service and other agencies in discussing the selection of varieties to plant in light of likely future production of the different types of fruit as indicated by plantings and removals. Data on trends in acreage, production, utilization, plantings and removals were assembled on all California deciduous fruits, trees nuts and bush berries.

*10. Improving marketing methods for vegetables*

Handling demonstrations held in Mississippi through the joint sponsorship of the State department of agriculture, the Farmers' Central Market Board and the extension service were attended by more than 3,000 persons. Interest among producers in familiarizing themselves with proper grading and packing tech-

niques was particularly high in areas recently going into vegetable production. Growers in a new watermelon area received such favorable prices, partly as a result of the quality program, that they plan to double acreage next year. Good results were also obtained for tomatoes, sweet corn, spinach, okra, squash, lima beans, sweet potatoes and mustard and turnip greens. It is estimated that Mississippi producers realized an average price premium of about 10 percent for all vegetable crops because of the quality program.

Fuller utilization was made of the Farmers' Central Market in Jackson through a special program to acquaint producers with the facilities available in the market. More than twice as much produce moved through the farmers' section of this market as in any previous year.

Similar assistance in improving marketing methods for vegetables was provided producers in Alaska, California, Hawaii, Kansas, Kentucky, Michigan, South Carolina and West Virginia.

*11. Improving quality and expanding outlets for poultry and eggs*

In the egg quality improvement program in Oklahoma this past year, major emphasis has been given to encouraging the production of "caged" eggs. As a result, the number of caged layers increased from virtually none to close to 100,000 during 1953–54. Present plans of producers indicate this growth trend will continue for some time. With the assistance of Department specialists, producers have disposed of caged eggs at 8 to 12 cents per dozen premium. Technical assistance was provided poultry processors in installing and operating new equipment and retailers were advised on methods of displaying and merchandising poultry products. To encourage greater consumption of poultry and eggs, six poultry and egg cooking schools were held under the sponsorship of the State department of agriculture and Oklahoma A and M College. Consumers were acquainted with methods of preparing poultry products, the nutritive value of these products. the grades and sizes available in the retail store, and how to buy according to these grades and sizes.

Quality improvement and market expansion programs for poultry products were also conducted in Illinois, Maine, South Carolina, Louisiana, Kentucky, North Carolina, Virginia and Michigan.

*12. Expanding market outlets for beef*

Promotional assistance in expanding beef sales was provided by the Kansas Department of Agriculture in coooperation with the Kansas Livestock Association with the advice and counsel of the National Livestock and Meat Board, American Meat Institute, and American National Cattlemen's Association. Information was provided wholesalers, retailers, and consumers with respect to methods of keeping, preparing and serving meat and how to buy meat effectively. Retailers and wholesalers were reached through personal contact and consumers through television, newspapers, radio, displays at fairs, meetings, and retail stores. Over 200,000 pieces of printed material were distributed.

*13. Improving the quality of dairy products*

The Minnesota State Mobile Bacteriological Laboratory continued to move about the State in a program of aiding manufacturing plants to establish uniform milk and cream grading programs and to locate and correct conditions causing quality deterioration. In connection with quality control, samples were drawn of the incoming raw milk and of the various dairy products being manufactured at several points in the processing line and submitted to the mobile laboratory for analysis. Using the results of the analysis, specialists from the laboratory and plant personnel set about determining the source or sources of contamination including examination of the water supply, containers, machinery through which the product flowed, and the handling methods being used by producers between the producer and the plant. All of Minnesota has been served once by the laboratory and about half the State covered a second time. The improved quality of Minnesota dairy products brought about by this program and other efforts has made it possible for dairy plants to compete more effectively for out-of-State markets—an important consideration since 80 percent of the total volume of dairy products moves to other States as fluid milk, butter, cheese, and dry milk powder.

Marketing services bearing on the improvement and maintenance of dairy-product quality were also provided in North Dakota, Wisconsin, North Carolina, Indiana, Mississippi, and Kansas.

ADDITIONAL EXAMPLES BY STATES

*1. Alabama*

*Technical assistance in improving and maintaining the quality of seed.*—For several years the Alabama Department of Agriculture has carried on marketing service activities pertaining to seed centering primarily around technical assistance in quality improvement and the development of more efficient processing operations. During 1953–54 fieldmen made 527 visits to processing plants to advise on cleaning, drying, and handling techniques, and to assist in installing new machinery and in preparing plant layouts for new and expanded facilities. In addition, 177 samples of various kinds of seed were picked up and tested in the laboratory. The 80 cottonseed samples obtained were tested for adequacy of poison treatment and effectiveness of delinting; 30 samples contained sufficient poison, 19 a fair amount, 11 hardly any, and 16 none. Three samples did not lend themselves to the poison content testing methods used. It was noted that inexperience or negligence on the part of the operators was responsible for lack of effective delinting of the cottonseed. Seventeen cloverseed and grass seed samples were tested for cleanness and 70 peanut samples were tested for the effectiveness of poison treating and shelling operations.

Fifty-five county agents were visited to acquaint them with the department's seed improvement program and obtain their cooperation in obtaining better relationships between farmers and processors and in planning the seed marketing service program.

*2. Arkansas*

*Quality program for eggs.*—The Arkansas egg quality program was concerned primarily with informing producers and dealers of the need for giving more attention to grading procedures. Partly as a result of the program, the number of buyers packing according to United States grades has increased. At present, it is estimated that the eggs presently being sold in all State markets on a graded basis bring the Arkansas poultry industry an additional $3,000 per week in price premiums.

*3. Colorado*

*Maintaining markets for potatoes.*—Continuing a program aimed at keeping San Luis Valley growers and shippers informed of the acceptability of Red McClure potates shipped from the valley, the State department of agriculture issued a publication reporting the results of a nine-State survey of the opinions of wholesalers and retailers with respect to the marketing practices which need improvement to increase the acceptability of the product. Specific recommendations were made by the trade on the following subjects: (1) Size groups in which potatoes should be shipped, (2) types and sizes of package most likely to fit consumer needs, (3) condition required for the various markets such as unwashed, washed, and waxed, (4) stage of maturity at which potatoes should be harvested, and (5) the adjustments that should be made in grading and loading at shipping point to best maintain quality.

*4. Florida*

*New basic data for citrus fruit.*—In Florida, the trend in citrus production has been strongly upward since the early 1930's. In recent years, it has been very difficult to develop dependable production forecasts during the season, and meaningful projections of production in view of the fact that the most recent citrus tree census was taken in 1934. Dependable forecasts are probably the most important basis on which marketing agencies plan their distribution program as the season progresses. Projections of production are very helpful to growers in determining the number and kinds of trees to plant and to marketing agencies in determining where and when to build new processing plants. To correct this deficiency a new citrus tree census was initiated in August 1954 under the joint sponsorship of the Florida Department of Agriculture and the State plant board. Data to be gathered for each tree include the location, size, variety, rootstock, degree of damage from disease, and other factors. The fieldwork on the project was about one-third finished on January 1, 1955, and is expected to be complete in December 1955.

The State funds for the project, which are almost three times the Federal funds, are being furnished by the Florida State Plant Board, the Florida Citrus Commission and the Florida Citrus Mutual. The State plant board with its corps of experienced grove inspectors is in charge of the fieldwork. Some of the data, especially with respect to incidence of disease, are being collected during the

course of the regular duties of the inspectors. Technical supervision in the census is being provided by the Florida Agricultural Experiment Station through the Department of agricultural economics and the Federal-State statistician. The citrus experiment station at Lake Alfred is also assisting in an advisory capacity.

In future years, the State plant board plans to request a sufficient increase in its regular appropriation to enable it to keep the census data up to date.

*5. Illinois*

*Improving marketing methods and facilities for fruits and vegetables.*—Illinois canning crop growers are being encouraged to market their canning corn, peas, and asparagus on the basis of grades, since the use of grades in nearby States has resulted in substantially increased returns to producers. As a result some canning asparagus was purchased on a graded basis for the first time this past year. Cooperation in this work was provided largely by the Federal-State Inspection Service, though contacts with the Extension Service and processors indicate that these groups stand ready to help wherever possible.

In the southern part of the State producers of cucumbers and peppers for the fresh market were assisted in organizing and operating a central packing and selling cooperative. Cucumbers packed in the central packinghouse brought $1, and peppers $0.65 more per bushel than those packed on the farm in the usual manner. Last year the cooperative handled close to 40 percent of the cucumbers produced in the area served. Peach producers were assisted in developing better packing and handling methods. Tests were made comparing space utilization and bruising, and other damage using the conventional system of loading bushel baskets of peaches and the inverted system with the results favoring inversion. Producers were encouraged and assisted in a program of packing and marketing peaches in tree ripened form. Tree ripened peaches were promoted among consumers at the State fair and elsewhere, and among retailers.

*6. Indiana*

*Expanding market outlets for fruits and vegetables.*—In Indiana, the produce supply report was continued covering location, anticipated supplies and harvest dates of locally produced fruits and vegetables including apples, peaches, berries, carrots, cabbage, green beans, parsnips, turnips, onions, cucumbers, hothouse lettuce, tomatoes, cantaloups, and watermelons. This report was mailed weekly to about 700 persons and firms, including shippers, brokers, truckers and other potential buyers. The purpose of the program is to expedite the movement of the commodities into trade channels with minimum loss and spoilage and at maximum returns to producers. Promotional assistance was also provided in developing wider distribution of fruits and vegetables. A weekly report promoting products in plentiful supply was released to consumers through 35 newspapers, and 97 radio stations. In this connection, 13 special television programs were devoted to informing consumers how to get the maximum return from their food dollars in terms of both quantity and quality. The Indiana State Fair peach promotion campaign was carried on for the second year to promote the sale of tree-ripened peaches through on-the-spot demonstrations as to appearance and taste. Tape recordings were taken of consumer interviews at the fair and of later retailer interviews. These recordings will be used at future grower and shipper meetings.

*7. Kentucky*

*Improving quality and expanding distribution of poultry products.*—This past year the Kentucky egg quality program included grading demonstrations, assistance in the establishment of local egg grading stations, the operation of an egg quality booth at county fairs, the promotion of egg shows and the distribution of leaflets summarizing the points to remember in grading, candling, and packing eggs. Eggs handled through local egg grading stations—totaling 270,000 dozen—brought producers an average premium of 8 cents per dozen.

To assist in achieving maximum distribution of broilers, a report containing information on the location and volume of available supplies was issued to producers, and dealers. It was also issued to five large procesosrs who have indicated an interest in locating broiler plants in the State. Growers in certain areas in which a sufficient number of broilers is produced to support a processing plant are presently shipping birds long distances to terminal markets.

*8. Louisiana*

*Improving marketing methods and expanding outlets for poultry and eggs.*—Eighteen meetings were held in Louisiana with 372 processors and retailers in attendance, to demonstrate the most recent developments in handling, processing, merchandising and retailing techniques for broilers and to urge their adoption. These meetings were held jointly with the Extension Service and the Poultry and Egg National Board. At the request of county agents, producer meetings were held about the State to discuss and demonstrate the use of grades and standards for eggs. Assistance was provided a group of producers in planning the organization of an egg packing and grading cooperative, and three egg buyers in packing eggs according to official grades. Department of Agriculture specialists appeared on 2 radio and 4 television programs to acquaint consumers with the meaning of the various egg grades and to encourage them to use grades in buying.

Outlets were found for more than 10,000 birds which producers were not able to dispose of through the trade channels normally available to them. And a list of broiler producers in Louisiana was completed to assist processors and other buyers in locating available market supplies.

*9. Maryland*

*Maintaining quality of sweet corn.*—Maryland producers and retail chain stores in Washington and Baltimore were assisted in developing a joint quality maintenance program for fresh sweet corn. The program involved using staggered plantings to assure a steady supply throughout the season; various devices for cooling upon picking, in one instance a hydrocooler; transportation at low temperature; and the use of ice in produce racks and of refrigeration for holding additional supplies. One grower shipped his corn to market iced in 5-dozen-ear wet strength paper bags.

This program resulted in a substantial increase in corn sales in the cooperating stores, and a net profit to producers, after considering increased costs, of 2 cents per dozen over the profits realized for corn handled in the usual manner.

*10. Massachusetts*

*New basic data for vegetables.*—Continuing its service of providing the vegetable industry with basic market information, the Massachusetts Department of Agriculture released a report entitled, "Massachusetts Vegetable Crops" just prior to the 1954 season. This report compared for each vegetable (1) intentions to plant in 1954 with 1952 and 1953 actual planted and harvested acreage on a State basis; (2) harvested acreage in 1952 and 1953 on a county basis; and (3) total production and average yields and prices received by growers or growers' agents at the first point of sale during 1952 and 1953. The 1954 report, the first of the series to carry average price data for all vegetables, also points out the types of packages in which produce customarily brings the highest prices.

*11. Michigan*

*Basic data for fruits and vegetables.*—The lack of information regarding crop conditions in competing areas has always been a major marketing problem to the large number of small fruit and vegetable producers in Michigan. The State Department of Agriculture issued a series of market reports to help fill this gap. The onion releases, for instance, included information on conditions in Texas so that Michigan producers and dealers might schedule their marketings to avoid a gap or overlap between the marketing season of storage onions and that of the new crop from southern Texas. The first issue in the series contained a map of Texas showing the location of the producing districts, and the estimated acreage, planting distance between rows and the extent of the use of irrigation in each district. Data were reported on trends in celery production in competing States and marketings from those States in major Michigan celery markets. For strawberries, continuous contact was maintained with the Federal-State crop-reporting services in Washington and Oregon regarding the progress of the harvesting and shipping seasons in those States.

*12. Montana*

*Improvement of quality of dairy products.*—The Montana Department of Agriculture continued to assist processors, wholesalers and retailers in improving the methods of handling and maintaining the quality of dairy products. Scorings were made three times during the year of butter, ice cream, and cottage cheese samples from each manufacturing plant. District meetings were held with plant

personnel to discuss these scorings and the improvements processors might make in plant operations and equipment to maintain quality more effectively. Over 1,000 retail stores were visited to appraise the adequacy of the refrigeration facilities available for storing and displaying dairy products and to suggest improvements in handling methods to store managers.

*13. Nebraska*

*Experimental market news.*—In the past the scarcity of local and area market information in Nebraska has been primarily responsible for the wide differentials in prices of poultry and eggs between the various areas. As a result, experimental market news services for these products were initiated during the year. Information on prices by grade, market "tone," supply, demand and movements are reported daily by newspaper and radio. In addition, a mimeographed market report is issued three times weekly to producers and dealers upon request. This report contains additional details of the price data reported daily, the market situation in key out-of-State markets, monthly cold storage holdings, and in turkey season, information on turkeys summarized from reports from other States.

*14. New York*

*Developing improved and uniform packages for potatoes and vegetables.*—The lack of uniformity of the types of packages used for New York potatoes and vegetables and their lack of effectiveness in maintaining quality in transit are believed by the State Department of Agriculture to be the major deterrents to market expansion for these products. For some products as many as eight different types of packages are being used. As a result shipping and handling tests were made of various types of present and proposed new packages and the opinions of producers, shippers, wholesalers and others were obtained regarding the shortcomings of packages now being used and the types of packages that would be more desirable from the points of cost, economy of space used in transit and storage, protection from loss and spoilage, and attractiveness of appearance. Using the results of the tests and opinion survey, Department personnel are encouraging the use of the types of package best suited to each vegetable and assisting growers, shippers and wholesalers in adapting their equipment and operating techniques to such types of package.

*15. North Dakota*

*Improving quality of cream and butter.*—Over 90 percent of the butterfat produced in North Dakota is marketed as farm separated cream. In this State, the development of consciousness among producers of the need for quality improvement has been an especially difficult undertaking because most dairy products are produced from small herds, and increases in prices resulting from better quality do not have as important an effect on farm income as is the case with large producers. Sediment testing has been probably the most effective measure in achieving this consciousness, and in causing producers to adopt better methods of production, care, and delivery of their cream. Residual dirt on the sediment pad is a tangible indication which farmers and plant employees can easily and quickly graps. In addition, the appearance of a dirty pad hurts the pride of the producers stimulating them into doing a better job.

State Department personnel cooperate with cream stations and creameries in grading cream and taking sediment tests. Farmers, whose cream is of poor quality or contains excessive sediment, are advised on methods of improving the grade of their product. The proportion of cream arriving undergrade at the plant has been reduced to about 2 percent of the total—an all time low. The higher quality of North Dakota butter, as influenced by the improved quality of cream used in its manufacture, was responsible for an additional income of $100,000 from butter sales last year.

*16. South Dakota*

*Experimental market news and new basic data.*—The experimental market news service for livestock and poultry and egg producers and shippers, initiated in 1952–53, was continued this past year. For poultry and egge, semi-weekly radio and newspaper reports were released containing data on supplies available, prices by grades at South Dakota country points and on Iowa markets. For livestock, a weekly summary was issued covering receipts and prices of the various grades and classes of beef cattle at seven auction markets.

Just prior to the harvest season, a report was released to producers summarizing storage capacity for small grains on and off the farm by counties, small grain production by counties, and on-farm small grain stocks and off-farm stocks of all grain on a State basis.

*17. Tennessee*

*Assistance in expanding the processing of fruits and vegetables.*—Producers and other groups are showing increased interest in expanding the fruit and vegetable processing industry. The Department specialists arranged conferences in various areas of producers, local chambers of commerce, county extension agents, and agricultural committees, and processors indicating an interest in locating plants in the State. In those areas where processors agreed to investigate the feasibility of constructing a plant, the Department assisted them in selecting locations, planning plant layouts and working out production agreements with growers which would assure the processors of adequate volume to permit efficient operations.

*18. Texas*

*Experimental market news.*—During 1953–54, experimental market news services were conducted for livestock covering 16 auctions in the West Texas Panhandle area, all of which handled cattle and two handled sheep and goats. Information was compiled by telephone and by a representative at the auctions during sales days. Reports were disseminated daily by newspaper, radio, and mailed bulletins. The mailed bulletins included not only data on the local markets but secondary data on the San Antonio, Fort Worth, Amarillo, and Kansas City markets, summarized from reports issued by other agencies.

*19. Virginia*

*Quality program for eggs.*—Virginia Department of Agriculture specialists developed techniques for grading eggs upon receipt at country points on a case lot sample basis. Tests indicate that the sampling system is 90 percent as accurate in determining the grade or grades within which a producer's eggs fall as the individual inspection of each egg delivered. If the sampling system comes into general use, it will permit producers prices to reflect grades indicated by sample upon delivery and provide marketing organizations a better opportunity to build their volume of graded eggs to the point where capital investment for modern grading and packing facilities is feasible. The results of a survey this past year point up the value to producers of selling eggs on a graded basis. The study found that eggs graded and sold through Federal-State grading stations brought a price premium of 7 percent in January, 13 percent in May, and 1.5 percent in August.

*20. West Virginia*

*Quality program for livestock.*—In West Virginia, 37 demonstration sales were held during the year at 12 of the auction markets in the State. All cattle were graded, classified as to size and color, dehorned, castrated and treated for blackleg and shipping fever. Feeder calves handled in this manner brought $20 to $30 more per head than those not properly processed for sale. To encourage sheepmen to improve their breeding stock, four demonstrational breeding ewe and ram sales were held. Department specialists supplemented these special sales demonstrations with grading demonstrations at the regular public livestock markets and on the farm. During calendar year 1953, 120,000 sheep and lambs, 54,000 veal and stocker calves, and 17,000 hogs were sold on a graded basis—exceeding the total number sold on this basis the previous year by more than 22,000 animals.

*Improving methods and practices of marketing tobacco.*—The tobacco grading and handling demonstration and assistance program was primarily responsible for West Virginia producers receiving a premium of $3.40 per 100 pounds above the average for the burley tobacco belt. As a part of this program, a Department specialist was available at the market to demonstrate methods of displaying tobacco and, on sales days, to advise producers as to the price their crop should bring and the feasibility of regarding for later sale if the price offered was considered too low.

*21. Wyoming*

*Basic data on livestock.*—Receipts from cattle and calf marketings account for about 43 percent of total farm cash receipts in Wyoming. To assist producers and marketing organizations in planning their marketing programs, the Wyo-

ming Department of Agriculture continued to collect, analyze, and report information on the movement of Wyoming cattle, including county of origin, destination, month of movement and method of movement by class of cattle. These data also had an unforeseen value to State officials in administering the drought assistance program during the past year. A comparison of out movement of cattle by counties in 1954 with similar data for previous years indicated the areas from which shipment was abnormal and in which, therefore, drought damage was likely most severe.

*22. Alaska*

*Improving handling methods and expanding outlets for vegetables and potatoes.*—The Alaskan carrot crop produced during the 1953 season was 2½ times larger than normal. To help dispose of this surplus, producers were assisted in obtaining military contracts for the purchase of their carrots extending through May of 1954—3 months longer than the period provided in earlier contracts. The Department further assisted and encouraged producers to obtain permanent expansion of their carrot market through the adoption of prepackaging. Bulk and prepackaged carrots were displayed side by side in a warm room to demonstrate the extent to which keeping quality of carrots is improved by prepackaging. Data was assembled and disseminated to producers and wholesalers on types of bags and packing and closure equipment best suited to prepacking. This year, with growers prepared to prepackage, consumer demand has increased substantially and military contracts specify prepackaged rather than bulk bunched carrots. Similar assistance was provided in the marketing of potatoes. For instance, potatoes treated with sprout inhibitors and untreated potatoes were displayed side by side to demonstrate the effectiveness of such inhibitors in retarding quality decline. Also Department specialists encouraged the installation of refrigeration to prolong the marketing period. Potatoes were marketed through July because of seven such installations making possible $30,000 in additional sales.

*23. Hawaii*

*Maintaining quality and expanding outlets for vegetables.*—Twenty-two grading and packing demonstrations, with an aggregate attendance of about 250 persons, were held covering tomatoes, pineapples, cucumbers, peppers, snap beans and other products, and assistance in improving handling methods was provided to 3 packing sheds, 11 growers and 1 wholesaler. Comparisons were made of the length of time tomatoes picked at various stages of maturity would retain their quality when held at room temperature and when refrigerated. And a survey of retail stores indicated that 50 percent of the stores in middle-income areas would like to see consumer grades established for consumer size packages of vegetables, but that only 29 percent of the stores in low-income areas favor the use of such grades.

Several surveys were made to bring together data helpful in market expansion activities. Controlled retail store experiments indicated that consumers would pay a substantial premium for and use larger quantities of high quality snap beans and that they prefer tomatoes showing three-fourths red to full red (not full deep red) color.

*24. Puerto Rico*

*Experimental crop and livestock reporting.*—In Puerto Rico the experimental crop and livestock estimating program was completed in 1953–54 and is now going forward as a part of the regular insular marketing service program. This past year, the information reported included estimates of intentions to plant, planted acreage, harvested acreage and total production. For the most part, the estimates were based on quarterly farm surveys. For livestock and dairy products, the producer information was supplemented by data gathered from dairy plants and slaughterhouses. Drawing on past experience, the questionnaires and sampling techniques were improved resulting in estimates which checked closely with final production data, especially for sugarcane, coffee, and tobacco. Other products for which estimates were made are pineapples, coconuts, plantains, cotton, bananas, pigeon peas, sweetpotatoes, tomatoes, dairy products, poultry, eggs, and livestock. These basic data on production are needed in planning improvements in the marketing system of the island. With the completion of this phase of the work the resources available are being shifted to improving grading, packaging and handling of the products and providing adequate marketing facilities.

Mr. BALLENTINE. I might say that this not only carries some of the projects, but it also lists the States that are now participating.

A year ago, this committee, and finally the Congress, came to our rescue and increased the appropriation by some 50 percent, bringing the amount appropriated from a little less than $600,000 up to $900,000. Since that time, the increased demand from the States that have programs and wish to expand, and States that have heretofore not had programs, but now wish to come in, the demands are such as to be greater than can be taken care of by the $900,000.

The Secretary of Agriculture through the President's budget has increased the amount requested by $100,000, making it a million dollars, rather than $900,000; and we believe that this will fall short of satisfying the demands of the States now in the program and the new States which have already requested to come in.

I hope you will agree with the commissioners of agriculture in the belief that the marketing service work has been too long neglected, and that we need to do considerably more in the field of marketing than we have ever done in order to adjust the differences between the stepped-up production program and the lively program of marketing including both facilities and service.

If time will permit, I would like to point out some of the examples, but I will let the brief suffice for it. I think it might be well that you hear from the viewpoint of our association Mr. Jacobsen, from California, for such remarks as he may have to make.

Mr. MARSHALL. We will be glad to hear from Mr. Jacobsen.

Mr. JACOBSEN. It happened to be our responsibility in our department of agriculture when the bill was originally developed to make arrangements for our State legislation and for cooperation with the Federal Department of Agriculture in this matching program.

We have done a lot of very fine work under it. It has fitted into a need where the type of operation that we could develop under this investigational study was such as to preclude normally our experimentation station or college of agriculture undertaking it.

In other words, the operational type of research or investigation was involved. We cooperate with our college very fully if there should be any duplication, one or the other withdraws from the particular field.

Mr. MARSHALL. I am happy to hear you make that statement. Some of us have been concerned because we felt that there might exist in some of these areas some duplication.

Mr. JACOBSEN. That has been our policy. It just so happens that way.

Then, we have adjusted our programs. At one time, we had 7 projects; then we dropped down to 5, and now we are up to 6 again, depending on the availability of funds that the legislatures provided. We were all ready to go. We had our legislation in and we had our budget prepared. The first allocation was not available until May of 1948 although the bill was ready for operation, as we understood it, in 1947.

We have operated in the fields of market survey, determination of outlets for certain of the specialty type of products that we have in California that ordinarily are not inherent in many of the other States—olives, prunes, raisins, figs, lima beans, and so on.

Then, we have augmented not a regular statistical type of operation, but for the purpose of the 30 different marketing orders that we have under our State statute, we have utilized a development of a statistical type of information that supports that type of work that is necessary to get proper economic backgrounds. We have developed a means of determining, if we could make available, virus-free nursery stock in the case of some of the stone fruits.

We have developed information on the maturity of certain of our agricultural products where our State laws require such for minimum standards, how better to make a better determination, and avocados is a good example. We had one on seeds which we dropped when we completed the project. We had one on market projects which we used for a pilot operation and we dropped that when the job was completed. That brings us down to the fifth and takes us back up to the sixth one, under our marketing orders, the very important thing is to know what your crop is going to be based on, actual field surveys, so we have developed a technique for evaluation of crops in cooperation with growers and with the peach and pear advisory boards, and the like.

I give you those details more or less to give you an idea of the nature of the use that we have made of them. Our funds have varied on a matching basis after the 1946 season, all the way from $52,000 on our part up to $93,000. We have been up and down, but it has been exceedingly valuable.

For those States that want to get into the program and have not availed themselves of it—many hear of it as a result of our experiences, and then there are other States that are interested in making expansions in the programs we have had. We are just in keeping with what the needs are. We just do not keep building it up because we might be able to get some extra finances.

Very briefly, I think that covers my points.

Mr. DEANE. Do you feel the Department of Agriculture would have justified the additional funds of which you feel there is a need if the States had made known in advance that State funds were available?

Mr. BALLENTINE. Yes, and they have additional requests. The States have not been able to set up any projection because there are no Federal funds to match the State funds.

I might add, Mr. Chairman, if I may, in the hope that I may relieve your minds of any concern about duplication, a definite policy has been established and is being adhered to that no project will be approved unless—that is, by the United States Department of Agriculture—unless it has first been approved by the Department of Agriculture in whatever State it may originate and the land-grant college which removes any danger there of duplication or any confusion that might come about.

We do have projects that are in the twilight zone that could not be determined as being strictly service or strictly educational or research, and, in those cases, it is agreed that we can come together and carry out that type of project jointly, either the Department of Agriculture working with research, or the Department of Agriculture working with the Extension Service, as the case may be. However, it may fit in, and we do have some projects now that are being worked on that basis, so there is no chance, I think, for duplication as we think of duplication; that is, by way of the Extension Service or the experi-

mentation stations doing the same jobs that are being carried on by the departments of agriculture. I do not think the departments of agriculture have come in for their full amount of consideration as applies to programs of this nature.

I think if you read the illustrations that are given in this brief, you will be impressed by the fact that they are rendering service; but I also think there has never been a day when we had so much to give to the people.

One of the most effective ways of taking the research work to the grower or to the merchant or to the dealer is by working across the board, by the service program that the departments have inaugurated in cooperation with the Federal Government. Every penny that is spent is either matched by the State 50–50 or it is even carried on on a larger basis, in some cases, the States putting up over 50 percent, but, in most cases, a State puts up less than 50 percent.

Mr. MARSHALL. Mr. Nutter, we certainly want to hear from you. I want to say to you that I am certainly aware of the fact that there is a State of Maine, because almost every morning when I come to work I see a red, white, and blue freight car from the State of Maine.

Mr. NUTTER. Our primary interest is potatoes. Maine was one of the early States to take advantage of this law and we have done a lot of good in improving the quality of our potatoes, both by interesting the shippers and those who are packing, and refiners, in better quality potatoes.

Also, we are working in the markets developing an interest in our better market packs that were built up.

There were many States in my general area that have not come in and availed themselves of this, but now they are interested. We are worried now if we have to divide up this money with the other States and we do not have an increase in the appropriations, we are going to jeopardize our program, and it is a very valuable program.

I think I have covered my statement, unless you have questions.

Mr. DEANE. Mr. Chairman, I do not have any question, but I would like to say for the record that I was in college with Mr. Ballentine. He has served the State of North Carolina exceptionally well through the years, and I appreciate that he brought these other fine men in from their association.

May I inquire what the purpose of your presence in Washington is, not necessarily for this meeting, but are you holding a convention of some kind here?

Mr. BALLENTINE. No, sir; Mr. Congressman, we are here for the purpose of working out some policies, and we hope improvements, in some program of procedures with the United States Department of Agriculture. If you will recall, you gentlemen on this committee a year ago suggested that the United States Department of Agriculture might get to work with these commissioners, and I believe it came about in respect to the curtailment of appropriations for inspection of fruits and vegetables and other farm commodities. We are here, and we have been working since that time, and we are here in another series of meetings. We are trying to work out the policies. We are divided into three different committees. There are some more down the street. Three of us are working on the pest-control program, livestock and plant-disease program, to try to determine a policy as

to what level of participation the States should follow with respect to the Federal Government. Should it be a 50–50 proposition, or should it be some other basis, or should each individual problem be taken up and considered on the basis of conditions or circumstances involved, or what? That was really our mission here. Most of the members of our executive board have come in and some of them are working on other committees, such as Mr. Hutton, and perhaps Mr. Hutton had better tell you about that.

Mr. HUTTON. We are meeting with Ken Scott and Harvey Dahl relative to the continuation of the emergency droughts for the eastern program, particularly as it relates to the movement and purchase of hay in the drought States. We are anticipating, as are the officials over there in the Department, that this program is going to be with us for another year, the hay program, and we embarked on this thing 2 years ago, not in my State, but in several of the others, and in my State this past year along with 13 others, or 14 others, I believe, and it has not gone exactly as we would like it—it was sort of new and burdensome in some respects, but we are sitting around the table with those gentlemen trying to determine how we can improve the program to the benefit of the farmers, and we in the State departments of agriculture who administer the funds for the hay program and the men here in the Washington office.

Mr. BALLENTINE. Mr. Chairman, this has been a most worthy effort on the part of the United States Department of Agriculture to make these programs workable. It has not always been possible to work out some of these problems in such a way as to suit the needs of the various States where they are being put into operation. Our purpose is to try to develop some policies, some programs of procedure that will enable us to do a better job working jointly on the programs in that case.

Mr. HUTTON. Mr. Chairman, I did not mean to indicate that the program was cumbersome or ineffective because of anything that happened up here. It is probably as much our fault as it was theirs. It was so new to us that we did not know exactly how to proceed. In every State, the topography—some States are hay-producing States and some are not—is so different, working an overall program just did not suit everybody, and we are trying to devise some method, maybe, of arriving at a system whereby the Department of Agriculture here in Washington can negotiate a particular contract or a contract for each individual State that will suit each individual State and work out well.

Mr. MARSHALL. This committee is desirous of having the closest cooperation between the States and the Federal Government, because all of us are interested in one common objective—giving the farmers and consumers of our country the very best service that can be rendered.

Mr. BALLENTINE. Mr. Chairman, we have received splendid cooperation from the Department in our effort to develop better policies, and I think we will, in the end, and I do not know where the end will be, but in the end we will come out with a much better relationship than we ever had heretofore.

Mr. NATCHER. I just want to join with you, Mr. Chairman, in thanking these four gentlemen for appearing before our committee. I know full well, the same as you other members do, that men like these gentle-

men understand the problems of the farmer. These men are not theorists; they know the problems of the farmer. Mr. Ballentine, I want to say to you that the State of North Carolina is indeed fortunate to have as a member of this committee, my good friend and colleague, Charlie Deane, who sits to my left. He is one of the outstanding members of the United States Congress, and I say that to you advisedly. He is a man who is interested in the problems of the farmers not only in North Carolina, but throughout the United States. We are proud of him and I feel sure that the good people of North Carolina are proud of the fact that he is a member of this particular committee.

Mr. BALLENTINE. Mr. Chairman, in response to that, I would like to say that we have known Charlie Deane so long and thought so much of him that we may take that for granted and think the coming generations will have the same appraisal of him that we have.

Mr. HORAN. I want to join with my colleagues, we are glad to have you here. I want to tell you of a practical application of this matter of interchange that Mr. Natcher and I experienced. We went to Florida where they were having quite a problem. They were having a slow decline in their citrus. We had a problem in the State of Washington, a horticultural problem. We passed State laws to allow for condemnation of pest-ridden orchards, and I wrote out to our State directors and they came through beautifully. The two States are a long way apart, but I do expect to see some of our experience put to work and put to good work down there in Florida.

Mr. MARSHALL. Thank you, gentlemen, for appearing today.

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FRIDAY, MARCH 4, 1955.

MARKET NEWS SERVICE FOR WASHINGTON, D. C.

WITNESSES

J. WALTER SMITH, EXECUTIVE SECRETARY, DISTRICT WHOLESALE FRUIT & PRODUCE ASSOCIATION, INC.
WADE B. CHILDRESS, THE W. CHARLES HEITMULLER CO.

Mr. WHITTEN. The committee will please come to order.

We have before us Mr. Smith and Mr. Childress of the District Wholesale Fruit & Produce Association, Inc., of Washington, D. C. As I understand it, these gentlemen are here in the interest of a news service for Washington. We have agreed to hear them somewhat out of turn, due to the fact they will not be here later when other outside witnesses are appearing.

All of the members of the committee are familiar with the market news service. We have many, many places in the country which want a news service. We have, therefore, had to be guided somewhat by the Department as to where to locate such news services. I mention that in advance so that you might direct your attention to whatever evidence you have that, in your opnion, justifies this item. I might also say that there is no item in the budget for a news service here. So you are requesting us to exceed the budget. But we have others like that. We will be glad to hear from you.

Mr. SMITH. Thank you, Mr. Chairman.

We, the District Wholesale Fruit & Produce Association, Inc., Washington, D. C., and other first receivers and wholesalers of fresh fruits and produce in this terminal market do hereby request that you amend the United States Department of Agriculture budget for the period beginning July 1, 1955, to include authorization of adequate funds to enable the Department to open and operate a USDA fresh fruit and produce market news office with services for the wholesale markets of Washington, D. C., with proper authority to enable them to act as quickly as possible after July 1, 1955.

The Washington area, with a January 1, 1955, estimated population of 1,827,000 stood the fifth largest area in the East and 11th in the Nation in the 1950 official census, the latest estimate stands 10th, has been deprived of produce market news service for several years, and, in turn has deprived the entire industry of comprehensive marketing data from this large metropolitan area.

Reference to the attached list of the 25 largest metropolitan areas will immediately point up our relative position to be one of disadvantage to growers, shippers, buying and selling brokers, first receivers, prepackers, wholesalers, and chain stores. We believe our request to be just and reasonable.

Plans to expand our marketing facilities, improve marketing methods, expedite handling and reduce overhead costs are now under active consideration for the Union Terminal Market here with an excellent chance that they will mature successfully.

We are the only terminal market located in a metropolitan area of over 1 million population without a market news service, therefore, marketing information disseminated by the News Service is incomplete to that degree. Some effects are, growers and shippers often call buyers in Washington to ask for information they receive regarding other markets.

Our "arrivals and on track holdings," both vital factors in this type merchandising, are unknown to the industry and even within our own market. Such large unknown factors conceal valuable information. USDA News Service reveals it to all.

Our truck arrivals are not accurately collected. Therefore, the compiled data and reports are not correct by at least 25 percent. We need closer liaison between our market and the Department.

The growth of Market News Service from its very inception attests to its value. Enlarging it to include Washington will measurably add to the service provided for the industry.

The USDA, we believe, will support our request because some time ago at the request of Congress they made a study and an expansion plan in which Washington was included and, as a first year market, the highest priority. We trust this is the year it begins for us.

The news services have grown to the point where the entire industry is covered by wired data. All factors necessary to good merchandising of these valuable farm crops are known during the same business day. Shippers can locate their best markets, ship and divert intelligently, terminal markets often reship surpluses and are able to cover shortages quickly. The program is sound but we get left out. Our facts are not so reported. The industry suffers to that extent. The costs involved are small when advantages are computed. Peaks and valleys are reduced. Everyone, including the consumer, gains.

Additional testimony will be given the committee orally by competent industry men from the Washington market.

You gentlemen have faced this problem many times. You have most of the facts and you have complete access to any unknown factors. You will also have Department of Agriculture representatives before you, all of which makes us believe that since our cause is just and reasonable, it is good for the industry and consumers, is supported by the USDA report of some time ago and urgently needed here, that you will find good and sufficent reason to grant our request for a USDA fresh fruit and produce market news office for Washington, D. C., for the period beginning July 1, 1955. We have no local marketing authority or State funds on which to draw. You are our court of last appeal.

(The table referred to is as follows:)

*Populations of the 25 largest metropolitan areas, 1950 census*

| City | Population | Produce Market News Service | City | Population | Produce Market News Service |
|---|---|---|---|---|---|
| New York | 12,911,994 | Yes. | Buffalo | 1,089,230 | Yes—State. |
| Chicago | 5,495,364 | Yes. | Cincinnati | 904,787 | Yes. |
| Los Angeles | 4,367,911 | Yes. | Milwaukee | 871,885 | No. |
| Philadelphia | 3,671,048 | Yes. | Kansas City | 814,357 | Yes. |
| Detroit | 3,016,197 | Yes. | Houston | 806,701 | No. |
| Boston | 2,369,986 | Yes. | Providence | 737,203 | No—F. and V. |
| San Francisco-Oakland | 2,240,767 | Yes. | | | |
| Pittsburgh | 2,213,236 | Yes. | Seattle | 732,992 | Yes. |
| St. Louis | 1,681,281 | Yes. | Portland, Oreg | 704,829 | Yes. |
| Cleveland | 1,465,511 | Yes. | New Orleans | 685,405 | Yes. |
| Washington, D. C | 1,464,089 | No. | Atlanta | 671,797 | Yes. |
| Baltimore | 1,337,373 | Yes. | Dallas | 614,799 | Yes. |
| Minneapolis-St. Paul | 1,116,509 | Yes. | Louisville | 576,900 | No. |

NOTE.—Washington, D. C., is the only area over 1 million without a Produce Market News office. Washington metropolitan area estimated population, 1954, 1,780,000, a growth of 316,000 since 1950 census.
Compiled by District Wholesale Fruit & Produce Association, Inc., Washington 5, D. C., from United States census data, USDA Market News Branch and board of trade.

Mr. SMITH. In order to eliminate duplication, I think it best that Mr. Childress talk with you, because he is directly from the industry.

Mr. WHITTEN. You might proceed, Mr. Childress.

Mr. CHILDRESS. I am sure the committee knows the primary purpose for the market news service. Now, the basis of our argument is mainly, as you pointed out, as to where the need lies. We feel the need lies here in Washington mainly just due to the volume of business that is conducted in this metropolitan area including, naturally, the population factor, the consumption factor.

Mr. WHITTEN. Those figures appear in your table, do they not, Mr. Childress?

Mr. SMITH. Yes, sir. It is simply our request and that we do stand 11th in the Nation, 10th at the present time, and the other statement of which you are all well aware. For instance, one thing I would like to say is that, for instance, last year reporting of the poultry in Washington was off at least 25 percent. That is a minor statement, really, because we need closer liaison between the market and the Department. There is no one here calling on these people and knowing who to contact. It leaves us in a bad position. The main thing that Wade was talking about is that people call in and say, what are the prices?

Mr. CHILDRESS. As you probably well know, take Florida and Arizona, California, Texas, any of the large producing areas and particularly the summer months have got serious problems. Those people there who are shippers depend on the market information they can get from the various markets: Pittsburgh, Philadelphia, New York, Baltimore, what not. And because we lack that here, it is a definite handicap.

Mr. WHITTEN. What percentage of the vegetables and fruits and things of that sort is bought through local channels. I wonder what percentage of the food which comes into Washington is sold on the local market and then distributed from here, or what percentage is part of a larger organization and perhaps purchased elsewhere and sent in here already owned by the retail outlet?

Mr. CHILDRESS. Percentagewise, it might be a little difficult there to arrive at that.

Mr. WHITTEN. What is your best judgment?

Mr. CHILDRESS. Oh, probably 20 to 25 percent, probably does not come through. In other words, it comes through direct to the chain stores, for example.

Mr. WHITTEN. Twenty to twenty-five percent and the other part goes the other way?

Mr. CHILDRESS. The balance comes through the regular market.

Mr. WHITTEN. The 75 percent comes through the regular market?

Mr. CHILDRESS. That's right, yes. Of course, I am just hazarding a guess there. I do not have any figures in mind.

Mr. SMITH. You may be interested in one figure. That was 2 or 3 years ago. Washington was slightly split by the business census or some Government analysis as 48 percent chain, 52 percent independent.

The chains buy a lot. The chains buy on the market also.

Mr. WHITTEN. I was trying to get how much of a market you really represent in view of the total amount of produce and vegetables consumed.

What filled this need now? What is the nearest thing to a news service for this general area?

Mr. SMITH. We haven't anything really because the Baltimore situation is a little different than it is here. In other words, in Baltimore, they sell strictly as first receiver and do not deliver anything. This market here sells as first receiver and does deliver. Therefore, the price here must necessarily be higher.

Mr. WHITTEN. I have lived here some several years but, being tied up in our work down here, I know a little about the District in many regards. But what share of the produce that is used in the surrounding areas is sold and delivered out of Washington?

Mr. CHILDRESS. For the farm products from the surrounding area to come in?

Mr. WHITTEN. How many wholesalers in the business of dealing in produce and vegetables have regular salesmen through the area and supply stores and things in the surrounding area?

Mr. SMITH. Salesmen at the present time are a rarity now.

Mr. WHITTEN. I mean, how much of the produce that is consumed in the towns surrounding Washington, generally speaking, originates here?

Mr. SMITH. I would say that practically all of it, practically all of it. Some purchases are made out of Philadelphia by some of the larger chains. They will go to Philadelphia and bring some things over once or twice a week and they go to Baltimore, but, oh, you could use a figure in the high 90's for the Washington distribution on the Washington market.

Mr. WHITTEN. Another thing enters into this picture as we have had to deal with it over the United States in times past. Frequently, locally, the State or the county or some other agency will put up a share of the cost of a marketing news service, either in providing facilities, or part of the cash. What is the situation with regard to the District government? What is its attitude, if you know?

Mr. SMITH. I say here in the last statement that we have no local marketing authority or State funds on which to draw.

Mr. Kennedy, with whom I talked, is superintendent of the markets for the city. Their markets are limited primarily to the operation of retail markets for the operation of stands and there are 5 or 6 of those around the city. That is Kennedy's whole authority. When it gets into wholesalers, I don't think he knows anything about wholesale; the man is a good man for what he is doing but this is outside of his jurisdiction. There is no one here, no other marketing authority than Kennedy.

Mr. WHITTEN. I was just thinking about contributions in the way of funds from the District government. The reason I say that, we have to have some degree of test or else every small town in the United States will want a news service.

Mr. SMITH. We deal with the District government in line with what they think they need; they don't always live up to what they need but if they are not willing to say they need it——

Mr. WHITTEN. If they need it and are not willing to say that they need it and ask for it, it is some little indication as to whether they put value on it.

Mr. SMITH. I did not go to see the Commissioners on that and I did not go to see the District Commissioners for the simple reason that those fellows, in my estimation, they would all be so rude to them—this would be so new to them——

Mr. WHITTEN. I realize your problem, but through the years we have had so many requests that if we gave them all we would have lots of duplication. We have had to try to draw some strings around it to help us hold the total appropriation in line and to put the services where they are most badly needed. Knowing of your request, I have asked the Department of Agriculture to pass on your request as well as those from 8 or 9 other areas to see how it fits into the pattern and to give us some guide as to where this fits in. I have asked for a report on your request along with the various others that have come to us this time, all of which are over and above the budget.

Mr. SMITH. To answer your question there, I suppose that they have told you and that was the first place I went, when these fellows decided that that would be my chore for the period you needed to do it, the first place I went is the Department and talked with Don Blood and Don Schoolcraft. I told them that I want you fellows' good opinion of this because there is no use of asking for this and if you fellows say no—they said, the best evidence that we can give you on this is that survey made on the request of Congress some time ago.

Washington is in there and it is in there with a high priority as the first year.

Mr. WHITTEN. We have not asked the Department to say "yes" or "no." We have asked them to give us a report as to the various aspects of it for the decision of the Congress. I believe that answers the questions that I have in mind.

Mr. NATCHER. Mr. Smith, you point out in your statement that a study has been made by the Department of Agriculture of this problem in which the Washington situation was studied. How long ago was that, Mr. Smith?

Mr. SMITH. I think that was approximately 4 years——

Mr. NATCHER. 4 years ago.

Mr. SMITH. In talking with Schoolcraft just recently, and I don't like to quote him to any degree except that he said that our report is highly favorable—so it is, in other words, the position here, now, I don't want to get into any discussion as to whether or not we should have home rule—I hesitate to say this on account of that, but if we had 2 Senators and 4 Congressmen, we would be in a lot better position.

Mr. WHITTEN. I don't know. Some sections do not feel that they are so much better off under those conditions.

Mr. NATCHER. That is all, Mr. Chairman.

Mr. SMITH. In days gone by, I have gone to my Congressman and asked for certain things and sure, they will do it while I am thinking about it. So here we have not anything of that sort.

Mr. WHITTEN. The other side of it is that you have 435 Congressmen and 96 Senators.

Mr. SMITH. Not when you want one, you don't have any.

Mr. VURSELL. I understand that you have asked for a review of this proposition with the Department of Agriculture and that would follow the pattern that we usually follow in approaching and considering legislation. I am not advised and have no knowledge of it. All I have heard about it is what you have said here this morning and I think we should give consideration after we have had made a study of it and have some contact with the Department.

Mr. SMITH. I think it is perfectly reasonable that that should be done. I tried to point out in my statement which you fellows can look over at your leisure, just the outstanding reasons as to why we think we are justified. In talking with the Board of Trade the other day, this may be interesting to know, that I have used the figure of 1,780,000 for the population of the Washington metropolitan area. And they said, where did you get that figure? I said, I got it from your figures. They said, it is now 1,827,000.

They are getting ahead on the estimate.

Mr. VURSELL. May I ask you another question off the record?

(Discussion off the record.)

Mr. WHITTEN. A selling point on something like this is the orderly marketing approach. If the supply in Washington is short, the producer in certain areas will send his stuff in here. If there is too much on hand here, he can send it elsewhere. If too much comes in here on a certain day, there is a certain amount of wastage; there may be a little profit-making or losses by those in the trade but there would be precious little benefit to the consumer, by and large. The waste will prob-

ably offset any reduced price. The chief argument for the news service as I get it is in orderly marketing so that the suppliers will market their stuff into the needed places. If he had the information, a producer in Florida could send his stuff in to Washington or New York or New Orleans, for instance. Having adequate information on the outlook and knowing the immediate situation might tend to make it best for him and best for the local market. That is the argument they have sold us on, and it makes some sense.

Mr. CHILDRESS. That is true.

Mr. VURSELL. I am glad to have that information, Mr. Chairman.

Mr. SMITH. I have covered that in the statement. You may be interested in——

Mr. VURSELL. I have not had a chance to read it yet.

Mr. SMITH. He can locate the best markets, ship and divert intelligently. Terminal markets often reship surpluses, and so on.

Mr. WHITTEN. As long as the Federal Government puts up the money for a marketing news service, if Podunk has one Kalamazoo will want one. So it makes it difficult. You have got to let the Department set some pattern, or you will find each town or city wanting the same thing that the others have. Now, that is the other side. We have to just try to strike some balance.

Mr. SMITH. I am perfectly willing and I am, I know my people are perfectly willing to abide by the Department's decision in the matter because we know that it is in the pattern and we also know that if you are going to put these things in line you don't start at the bottom of the list. You start at the top.

Mr. WHITTEN. You mean we should.

Mr. SMITH. If you fellows are as orderly as you expect us to be. So we have simply taken the top 25 and there are 10 below us and 10 above us.

Mr. WHITTEN. I don't take issue with you on that. But another thing that enters into it is that you might have some big wholesaler distributing point whose immediate population might not be so big. But the point I make, the population is not the only test, though that is one of the major tests that would be applied to it.

Mr. SMITH. The amount of food that is consumed here, by this number of people, certainly represents a good, healthy percentage.

Mr. WHITTEN. It enters into the size of the likely local market.

Mr. SMITH. Not about population but how many people will eat so much. Therefore, it represents so much of what is grown.

Mr. WHITTEN. What I meant, and I may exaggerate for an illustration, is this: if we were completely surrounded by Baltimore, you would not need any here at all, but I know that is not the case. But whether it is local or whether it is not could make it a factor as to whether you portray it populationwise.

Mr. SMITH. You may like to ask a question or two about something else that I have stated here, and that is the movement afoot at the present time to build a new produce market up in the Pennsylvania yards, just there by the Union Terminal Market. The Pennsylvania Railroad Co. has seen the need of something of that sort and they are offering to build this and put the thing more in line where it will reduce costs. People will come to them, the first receiver, and they will only have first receivers in that market. They will build, the

truck, the whole thing will be at truck level and car level where it will be handled in and out and out and out the other way at that truck-level basis. That will reduce prices materially.

Mr. WHITTEN. The testimony before our committee shows that about 57 percent of the consumer price is attached after the commodity leaves the farmers' hands. The pitiful situation exists where for some commodities, which are grown and shipped from California to New York, more cost attaches to it from the time it crosses the Hudson River from there to the consumer than all the rest of it. So it leads you to see that the 57 percent that goes to someone other than the farmer who produced it, is by far the bigger end for us to go to work on if we were going to try to reduce the consumers' cost.

Mr. SMITH. There is an effort in that direction because these markets were built around 1931. At that time, the city was quite small. Twenty-five years later it needs a different way of handling and the railroad people and the first receivers in Washington, especially the Union Terminal Market, have seen this and are now making plans to get away with it. It has been discussed here before but the ground they have to bid on up there runs anywhere from $6 to $10 a square foot. You cannot operate a business of this sort on that priced land. It just is not in the cards. The railroad company is willing to do the thing, so that gives it about 97 percent chance of success. So that is another thing I think should be injected and the percentages being used in Washington at the present time, that are shipped here as first receivers, and being transported in from other cities has steadily gotten less over the period of the last 5 or 10 years. There is less coming from out of town now than there was 5 or 10 years ago.

Mr. WHITTEN. Unless there are other questions, we thank you, Mr. Smith and Mr. Childress.

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MONDAY, MARCH 7, 1955.

## INSPECTION SERVICE AND RESEARCH PROGRAMS

### WITNESS

### HON. CLIFFORD G. McINTIRE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE

Mr. MARSHALL. The committee will come to order. We are pleased to have one of our colleagues from Maine before us today, Congressman McIntire.

Mr. MCINTIRE. Mr. Chairman and members of the committee, it is indeed encouraging to observe the budget's recommendation for an overall increase of $255,845 in Marketing and Research Service funds.

However, although this year's budget reflects an overall increase in the above-mentioned funds, the amounts of money recommended for some aspects of inspection, grading, classification, and standardization reflect severe reductions.

Funds to expedite the Inspection Service on Fresh Fruits and Vegetables have been curtailed in the amount of $220,000, the budget recommending $321,500 as compared with $541,500 appropriated for this Service in fiscal 1955.

Such a cut has been made in the belief that fee rates will be increased and the program led into a self-sustained area.

No one will challenge the concept that a self-sustained program is a desirable objective, providing certain other adverse consequences do not flow from such a condition to dim the luster of such an achievement.

It should be remembered that inspection fees are already high, and it is reported that—if the contemplation of the budget is realized—there will be a resultant increase of approximately 33 percent in fees at some of the receiving markets.

Increased prices resulting from increased fees would undoubtedly discourage the use of this service by many shippers, and this diminished activity would prompt the closing of some inspection offices and the curtailment of staffs in many others.

Then, too, if the President's recommended increase in salaries and travel allowances are endorsed by the Congress, higher charges might very well again be reflected at many shipping points.

Such increased fees would serve to discourage continuation of inspection and place any program of quality improvement in real peril. Producers would be denied the use of a valuable service, and consumers would be deprived the convenience of fine-quality products.

It is interesting to note that in House of Representative Report No. 1510, 82d Congress, 2d session, this committee—while considering appropriations for Inspection Services for Fresh Fruits and Vegetables—had this to say when a similar recommendation for a cut was made in the budgetary recommendations for fiscal 1955:

> This is a voluntary inspection service to stimulate good shipping and marketing practices, and the committee does not feel that the appropriation cut and increase in inspection fees is warranted.

When the committee expressed this sentiment, it was apparently mindful of the fact that, for the past 30 years, the Congress has defrayed part of the cost of such a service for some of the following reasons:

(1) There is a broad educational purpose embedded in this Service.

(2) Uniform Federal grades, when an inspection certificate can be obtained, provide stability to contracts.

(3) Trading is expedited by enabling buyers to purchase with confidence.

(4) Market quotations are simplified.

(5) A basis is provided for administering marketing agreements and the Perishable Agricultural Commodities Act.

(6) A basis is provided for differentiating quality characteristics and promoting quality improvement.

(7) The Service, through collected fees, is now largely self-supporting.

The objectives of this Service are the same today as they were one year ago when this committee refused to sanction an appropriation cut and an accompanying increase in inspection fees. And the need for funds essential to the Service's efficient function is as urgent today as ever. Because of this, I respectfully urge this committee to consider sympathetically, as it did last year, restoring to this Service the $220,000 cut recommended by the budget.

There is also a reduction of $100,000 for Inspection Service on Dairy and Poultry Products, as recommended in the fiscal 1956 budget.

The reasons which suggest the wisdom of restoring funds for the Inspection Service on Fresh Fruits and Vegetables are also applicable in this instance. It should be remembered that, for both Services, inspection work is optional with the buyer and the seller, and, if fees charged for the inspection services are too high, the consumer will suffer as a result of product quality deterioration. It would appear in accord with the dictates of equity to restore the $100,000 cut made by the budget for this Service.

It is interesting to note that the National Association of Commissioners and Secretaries of Agriculture, during a recent conference, voted to set up a special committee to work with the United States Department of Agriculture relative to a policy for the Inspection Service.

At this point I would like to indicate to this committee that, in conference with Secretary of Agriculture Benson on January 11, 1955, the Maine delegation in the Congress made the following recommendations relating to services rendered our Nation's farmers by the Department of Agriculture:

First, institute a study of the influence of futures trading of Maine potatoes in the New York Mercantile Exchange on prices received by Maine producers in the normal marketing of their crop.

Second, intensify research with relation to marketing and harvesting problems.

Third, place greater emphasis on a more intensive and extensive program of education with regard to "outlook" information.

Fourth, effect a reexamination of crop estimates and stocks on hand reports, giving particular attention to the possible merits of the following suggestions:

Revising the previous year's estimate in such a manner as does not conflict with the marketing period of the current late crop, such a revision to be made in June and not—as it now is—in December.

And, presenting to the producers and the trade a clear and well-defined merchantable stocks on hand, January 1, report, and placing great emphasis on the real significance and true nature of this report—thereby affording a better understanding of the supply situation.

Fifth, motivate the Department of Agriculture—in periods of oversupply—to more aggressively join with the producers and the trade in moving the crop into consumption.

Sixth, initiate a program wherein the Department of Agriculture—during periods of surplus—would keep the grade and producers more closely advised of its interests and activities as they relate to the surplus problem and all other problems associated with the industry.

Seventh, revise the Marketing News Service so that—in all principal producing areas—the movements by truck and the movements to export are more accurately and more extensively reflected.

The following article appearing in the January 29, 1955, issue of The Packer, a trade publication, lends cogency to the last suggestion made above:

FIGURES ON DAILY TRUCK SHIPMENTS BADLY NEEDED

One of the reasons for the potato market having dragged along, prior to the January 1 stocks on hand report issued last week, is the fact that adequate information on consumption, total shipments, etc., has not been available to the industry

because USDA lacks the money to set up and maintain the reporting facilities to compile and disseminate the statistics on daily truck shipments.

For example, in the stocks on hand report USDA noted a decline in rail and boat shipments of potatoes from late and intermediate states this year up to January 1 as compared with last year. On the other hand, every Tom, Dick, and Harry at the market and at shipping point knows that more and more potatoes are moving into the trade stream by truck, but such movements are not included in the official report because USDA does not have the money to gather this information. This situation is like a one-legged man trying to swing along on one crutch.

It seems to us that the time has come to assess the situation in its true light, and to get some action started in Washington to get USDA the necessary funds to enable that agency to do the full job. We deem it to be more harmful to the general good to have to do half a reporting job than it would to do none at all. At least if there were no shipment report compiled, no one could possibly be misled through half-reports.

The Packer submits the time has come when USDA must have the money necessary to the job, and the job of compiling reports of daily shipments has certainly come to mean truck movement as well as rail cars and movement by boat.

All of us are familiar with the depressed potato market conditions which have prevailed in the State of Maine for the last three marketing seasons. In an effort to prove of some assistance to the potato industry, I directed a communication—under date of February 9, 1955—to Mr. Oris V. Wells, Administrator of the Agricultural Marketing Service, a letter recommending that a utilization report for the potato crop of the previous season be prepared and issued in company with the January 1 Stocks on hand report. I quote from Mr. Well's reply:

Our present position is that we recognize that these additional statistical services would be helpful to the potato grower in doing an orderly and effective job of marketing his crop, and we would like to be in position to give the additional services. However, we are not able to provide this additional service because of the heavy workload the Agricultural Estimates Division is now carrying.

It would require additional facilities before we could undertake an expanded potato program along the lines indicated by you and industry representatives. Unfortunately, our present facilities cannot be stretched even enough to provide for the supplementary utilization report you suggest.

It is discouraging to be conscious of the fact that the Department of Agriculture is hampered in sponsoring facilities that would provide a prime service for our country's farmers. It is, however, encouraging to note that the Budget recommendation provides for an increase of $125,000 for Market News and Inspection Service. And although this is but a mild increase in funds, I sincerely trust that this Committee will give sympathetic consideration to following this budgetary recommendation. This would give some force to the establishment of a program of Market News and Inspection Service that would provide a better service for our farmers and a sounder agriculture for our economy.

The budget recommends an increase of $5,800,000 for payments to States under the Extension Service program and this is indeed an encouraging observation.

Through this Service, new developments, discoveries, and devices are transferred from the laboratory to the farmer's fields, finding ultimate expression in greater yields of finer quality farm products.

It is interesting to observe that, in international agricultural circles, it is contended that this service is the keynote to America's highly

developed program of agriculture; that it, by taking new discoveries out of the laboratory and developing practical application on the farm, has made America a land that virtually flows with milk and honey.

This Service, then, by its own merits, is deserving of funds that will facilitate an efficiently functioning program, and it is my sincere wish that this committee will, as has the budget, give it the monetary consideration it warrants.

The budget recommends a reduction of $100,000 in golden nematode control; in fiscal 1955, there was an appropriation of $344,400 for this purpose, as opposed to the suggested figure of $244,400 for fiscal 1956.

The devastation prompted by this utterly destructive organism is currently concentrated in the Long Island area of New York State. This is not to say, however, that it does not pose as a constant threat to other farm product producing areas.

Potato production on the continent of North America is threatened by this infected area. It is imperative that this threat be completely eliminated.

An article appearing in the March 3, 1955, issue of the Houlton Pioneer Times points out the real concern that a State of Maine Department of Agriculture official entertains with regard to the spread of the golden nematode, and it points out some of the steps being taken to frustrate such a development. The article follows:

QUARANTINE NECESSARY TO PREVENT SPREAD OF THE GOLDEN NEMATODE

AUGUSTA, MAINE.—The State department of agriculture today warned potato shippers that it might be necessary to invoke a quarantine to halt the use of secondhand burlap bags in potato shipments.

E. L. Newdick, deputy commissioner of agriculture and chief of department's division of plant industry, said: "It is generally recognized throughout the industry that the use of secondhand bags offers an opportunity for the spread of the golden nematode. This pest is a real threat constantly to every potato area and Maine is concerned particularly because of its position in the seed-potato trade."

Newdick said there is in Maine at present, "some traffic in used burlap bags. Unless this practice is stopped voluntarily it will be necessary to promulgate a quarantine to accomplish the desired result."

The destructive habits of this organism suggest that this is not the time to relax our control efforts; instead, every effort should be directed toward localizing and obliterating this havoc-prompting pest.

It is encouraging to note that $19,000 is being spent by the Department of Agriculture during fiscal 1955–56 to carry forward experimental research work on the golden nematode. Restoration to the budget of the $100,000 figure for the control program would permit the golden nematode research and control projects to go forward hand in hand.

I would like to add at this point that Congressman Stuyvesant Wainwright of New York, because of the fact that this infestation is located in his congressional district, is very deeply interested in this problem and joins with me in expressing an interest in having the $100,000 restored to the budget.

The President recommends an increase of $5,300,000 in funds for payments to State experiment stations. I strongly support this recommendation. The miracle of American farm production of the past, present, and future rests in research.

We need both basic and applied research to meet the needs of tomorrow. State experiment stations, regional laboratories, and Federal

experiment stations are the technical tools of the American farm. I urge the committe to support this increase.

Mr. Chairman, I would like to call this committee's attention to the fact that Congressmen Hale and Nelson join with me in submitting this statement for this committee's consideration.

Mr. Chairman, and members of the committee, I deeply appreciate this opportunity to appear before this committee for the purpose of submitting testimony.

Now I would like to present a letter from the University of Maine by George F. Dow, associate director of the agriculture experiment station in Orono, Maine.

He writes:

We want you to know how much we appreciate the legislation which you supported last spring to provide increased Federal funds for agricultural research in Maine. As you know, this increase was due to the appropriation of funds previously authorized in the Research and Marketing Act of 1946, section 9 of the Bankhead-Jones Act.

I can now report to you specifically as to what this means to our research program in Maine's problems of production and marketing. The increases in our funds were as follows:

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| Direct allocation to the Maine station, by formula, 9b1 and 2 | $40,608 |
| Regional funds for cooperative research among northeast stations as approved by regional groups, 9b3 | 19,570 |
| Title II funds specifically provided for marketing research under the Agricultural Marketing Act of 1946 | 10,000 |
| Total increase in Federal funds for 1954–55 | 70,178 |

This additional income represents an increase of 12 percent in our research budget.

The use of these additional funds was roughly one-third for salaries of new personnel, one-third for additional labor, travel, and supplies for assisting our research men in their experiments, and one-third for much-needed equipment and facilities.

A list of the new projects which have been started since July 1 are shown on the attached sheet.

I am sure you realize how important this additional support is in strengthening Maine's research program.

(The sheet referred to is as follows:)

NEW RESEARCH PROJECTS OF MAINE AGRICULTURAL EXPERIMENT STATION, 1954–55

1. Improvement of market procedures and outlets for Maine livestock, with emphasis on dairy animals (regional project).
2. Efficient utilization of milk for nonfluid uses (regional project).
3. Economics of forage production, harvesting, storage and utilization on central Maine dairy farms (regional project).
4. Improved mechanization for storing forage crops (regional project).
5. Establishment, persistence, and productivity of regionally developed strains of alfalfa (regional project).
6. Developing more efficient work methods and equipment for handling potatoes in storage houses (title II project in cooperation with U. S. Department of Agriculture).
7. Effect of field traffic and Maine winters on the physical conditions of potato soils (regional project). Is present heavy farm equipment compacting our soil and affecting yields?
8. Improvement of market structures and marketing practices affecting price, movement and distribution of Maine potatoes (regional project).
9. Mineral nutrition of potatoes. The Maine station also received a grant of funds from the Atomic Energy Commission for this fundamental research.
10. Growth regulators on fruit crops. To determine the effect of new hormones on set, fruit size, and preharvest drop of apples and blueberries.

11. Biology and control of the codling moth. This insect recently has become an important pest in Maine apple orchards.
12. Second year egg production of the fowl. Under present conditions is it profitable to keep laying hens for a second year?
13. The relation of body size in poultry to egg production and the growth rate of their progeny (regional project).
14. Poultry laying house environment, with special emphasis on ventilation (regional project).
15. Biology and control of vegetable insect pests.
16. Use of lime on agronomic crops grown in Maine—especially sweet corn and potatoes grown in a rotation on dairy farms (cooperative with a processing company).
17. The effect of pesticides on quality of fruits and vegetables (regional project).
18. Salt and moisture content of Maine sardines (sardine tax project).

Mr. MARSHALL. Congressman McIntire, we are very pleased that you did appear before our committee today. We always value the counsel of the members of the House Committee on Agriculture, and we particularly value your remarks because we know of your deep interest in these matters.

Mr. ANDERSEN. I want to join in that, if I may, Mr. Chairman. Mr. McIntire is one of the leaders today in Congress in matters relating to agriculture.

Mr. MCINTIRE. Thank you, Mr. Chairman and Mr. Andersen.

Mr. NATCHER. I have no questions but I would like to join with you, Mr. Chairman, in thanking Mr. McIntire for a fine statement.

Mr. DEANE. I recall, Mr. McIntire, that on last Thursday we had your commissioner of agriculture, Mr. Fred J. Nutter, with us. I was very much impressed with what he had to say bearing upon this same subject.

I am certainly very grateful for your fine presentation.

As I understand it, Maine, of course, is already in the contributing group.

Mr. MCINTIRE. At the present time, Congressman Deane, it is my understanding that the fruit and vegetable inspection service carries approximately 96 percent of its cost that is paid by the fees that are collected. It is our thought that the trade, both the shippers, producers, and other trade elements, that are using both the shipping point and terminal market inspection service, are carrying a very substantial part of that load and that just as a matter of equity they should not be required to carry it all. The other inspection services, the Federal Government participates more substantially in than in this case and the contribution from the Federal Government to the cost of fruit and vegetable inspections is relatively small and the amount of money should be restored to the budget.

Mr. DEANE. From your studies, have you been able to determine why the Department made this decision to reduce it?

Mr. MCINTIRE. No, I have not.

Mr. DEANE. I want to thank you both for your appearance and I appreciate your splendid statement.

Mr. MCINTIRE. Mr. Chairman, if I may, in view of Congressman Dean's mentioning our commissioner of agriculture, I would like to give you this background. Not only is he our commissioner of agriculture, but a man who has been recognized by our University of Maine as an outstanding farmer and honored by the university by having that distinction. He is one of the outstanding Holstein breeders of

the country. He is also a horticulturist and potato grower, so he is coming from agriculture, along with his present assignment.

Mr. DEANE. He was presented as the president of the Northeastern Association of Commissioners of Agriculture.

Mr. MCINTIRE. That is right, sir.

Mr. DEANE. That is all, Mr. Chairman.

Mr. MARSHALL. We will be glad to hear at this time from our distinguished colleague from Maine, Congressman Hale.

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MONDAY, MARCH 7, 1955.

INSPECTION SERVICE

WITNESS

HON. ROBERT HALE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE

Mr. HALE. Mr. Chairman and gentlemen, I appreciate the opportunity to come here. I want it understood that Mr. McIntire is the agricultural expert in the Maine delegation. We always claim him as such. Really, there is very little that I could or would add to his statement.

Mr. George H. Chick, chief, division of markets, Department of Agriculture, State of Maine, wrote a letter to Congressman Jamie L. Whitten and that letter I will read into the record since it is quite brief. He says:

> Some of the State marketing officials have noted with quite a bit of concern that some $320,000 was left out of the United States Department of Agriculture appropriation for the Fruit and Vegetable Branch and the Poultry Branch. There funds were used by the respective branches to aid in the establishment of orderly inspection services which is essential for orderly marketing.
>
> It is certainly of public interest both from the consumer standpoint as well as shippers and wholesalers to have such services and certainly no shipper or wholesaler objects to paying a reasonable fee when he is using the service; however, it does not seem practical that these shippers and receivers should be forced to pay the entire cost of the service when it is of so much public interest.
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> I believe that it is a matter of record that Congress and the Department of Agriculture for a period of 30 years thereabouts have helped support inspection work by appropriations, and I see no justification for changing our policy at this time. Last year these funds were cut from the appropriation but I believe that most, if not all of them, were restored, and I respectfully request that you and your committee will restore them again this year.

As you will note, Mr. Chairman, that relates entirely to the question of inspection services in which we are deeply interested.

Mr. MARSHALL. I might say that this committee has been somewhat concerned for several years over the inspection fees. There seems to have been quite a difference between the percentage of fees that are charged for different inspections within the Department of Agriculture and it has appeared to this committee that there ought to be more uniformity in fees. We believe that that would do away with much of the criticism if there were something worked out to bring about more uniformity.

Mr. HALE. I may state in that connection, Mr. Chairman, that I am a member of the Committee on Interstate and Foreign Commerce which has jurisdiction of the Pure Food and Drug Administration.

Many times since I have been on that committee we have had occasion to consider inspecting practices and so on in that field so that I am very much interested and concerned that what goes into the mouths of our people is as pure as governmental activity can reasonably make it.

Mr. MARSHALL. We would like to say that we appreciate very much your taking the time to come before this committee to give us the benefit of your knowledge on these matters, Congressman Hale.

Mr. NATCHER. I, too, would like to join with you in complimenting Congressman Hale on his fine statement to this committee.

Mr. DEANE. I join in these statements of appreciation to you gentlemen.

Mr. ANDERSEN. Mr. Chairman, both Congressman Hale and Congressman McIntire have for many years appeared before our subcommittee, showing their interest in agricultural matters; and personally, I appreciate their taking the time to come here as they have and make this splendid presentation today.

Mr. MARSHALL. Their counsel is always valued by this committee.

Mr. ANDERSEN. It certainly is.

Mr. MARSHALL. Thank you again, gentlemen.

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MONDAY, MARCH 7, 1955.

## GOLDEN NEMATODE CONTROL AND RESEARCH

### WITNESSES

**HON. STUYVESANT WAINWRIGHT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK**
**AMHERST DAVIS, FARMER, LONG ISLAND, N. Y.**

Mr. MARSHALL. The committee will come to order. We will be very pleased to hear from our colleague, Congresman Wainwright.

Congressman McIntire has mentioned previously that you are interested in the nematode problem and that you are working with him on that. We will be pleased to have you proceed. Do you have a prepared statement?

Mr. WAINWRIGHT. No, sir; I do not have a prepared statement.

Mr. MARSHALL. Proceed as you wish.

Mr. WAINWRIGHT. Thank you. I want to thank the committee for the opportunity of being able to appear before them to present my views, and also to introduce to the committee Mr. Amherst Davis as the senior statesman-farmer of Long Island, which includes two farm counties, Suffolk and Nassau. Nassau used to be a farm county but has become more residential in the past 10 years.

The subject in which we are interested is the golden nematode. The budget for 1955 had $344,400 and in the 1956 budget before you gentlemen, there is $100,000 less. I do not believe that I need to go into details about the nematode because Mr. Davis will cover that and any questions that you have to be answered, he is far better qualified than I am to answer them, he being a practical farmer. I would like to state, however, that I have a farm committee of which Mr. Davis is a member, composed of the six leading farmers in Suffolk County. All farm problems I have, I just discuss with them. Not being a farmer

myself, I have to take their advice and guidance. They have stressed only one thing as far as we are concerned. We are a potato county. We are the third largest potato county in the United States. I do not know whether Mr. McIntire will dispute that.

Mr. DAVIS. No, because he is first.

Mr. WAINWRIGHT. Therefore, the lives of an awful lot of people depend upon the raising of potatoes in our area and they said to me, if you can do one thing, try and convince the subcommittee of the need for golden nematode.

Mr. ANDERSEN. He does not remember this—but the first time I ever made any remarks at any time on the floor of the House of Representatives was when some gentlemen were conducting a bill through the House and my first year here, and I asked a question in regard to the golden nematode. So I will naturally never forget that. That was the first remarks I ever made in the House of Representatives.

I will let Mr. Davis cover the technical nature of this now, if I may, but I would like to show you something that has been prepared by the two Federal people, two Department of Agriculture people, who are working on this subject, a little, short, 8-page pamphlet on the golden nematode. It is reprinted from the American Potato Journal of December 1954. If it is proper, I would like to put it in the record. If it is not proper, it is all right because I particularly want to show you this picture here of what the golden nematode does.

Now, that one shows a semi-infested field. It does not affect the quality of the potato but it does affect the quantity of the potato that comes out of our fields. Normally, an acre of potatoes in Suffolk County will produce somewhere in the neighborhood of 400 bushels an acre. You see when it is cut down to 64 bushels an acre, we are in bad shape and losing an awfully lot of money. This somewhat dramatizes the problem with which we are faced.

Mr. MARSHALL. Congressman Wainwright, this committee has been interested in the golden nematode for some time. We became interested enough to go to the experiment station on Long Island a year ago. We are aware of the agriculture that you have in Long Island. So we are not entirely unaware of the situation that exists. We will be glad to hear from Mr. Davis at this time.

Mr. DAVIS. Mr. Chairman, I consider it a great privilege to be able to appear before your committee.

As Mr. Wainwright stated, I am Amherst W. Davis and I operate a potato and dairy farm at Mount Sinai in Suffolk County, Long Island. My main crops are potatoes and milk. I am president of the Suffolk County Farm and Home Bureau and 4–H Club Association and am chairman of the Suffolk County Golden Nematode Advisory Committee.

I represent the potato growers of Suffolk County on eastern Long Island, which is the third largest potato-producing county in the United States. Last year, Long Island raised 51,000 acres of potatoes for a total crop of 18,615,000 bushels.

The golden nematode is a serious threat to the entire potato business of the United States. Unless a satisfactory control is found for the pest, it could conceivably render potato growing unprofitable in most of the commercial potato-producing areas of the United States.

I would like to point out to you gentlemen that white potatoes are a staple and the leading vegetable in the American diet. They are also the cheapest vegetable on the market and particularly important for that reason in the food basket of low-income groups. If potatoes should become scarce and high in price, the food cost of living for the workingman would increase considerably.

In addition to being a cheap and economical food, potatoes are one of the high energy foods which are a good source of vitamins and minerals. Doctors commonly recommend potatoes for babies and growing children. This commonplace vegetable is found on the dinner table of the United States workingman more than any other food, except possibly bread and dairy products.

The farm value of the United States potato crop was $687 million in 1952, according to the United States Department of Agriculture's statistics Yearbook. 1,404,700 acres of land was devoted to the growing of potatoes last year. 1,649,906 farms reported that they grew potatoes, according to the 1950 census of agriculture. In other words, approximately 1 out of every 4 farms in the country raises at least a few potatoes.

The golden nematode is a microscopic eelworm which feeds on the root hairs of the potato plant. It does not attack the potato tubers and thus in no way damages the eating quality of potatoes. The only way the pest damages the crop is by reducing the yield.

The golden nematode was first detected in the United States in Nassau County on western Long Island in 1941. Since that time, the State of New York golden nematode quarantine which is administered in cooperation with the United States Department of Agriculture has fairly successfully helped to contain the pest in the western end of Long Island, as far as is known.

The golden nematode is prevalent in many European countries. How it was carried from some European country to Nassau County on western Long Island will probably always remain a mystery. Undoubtedly it was brought in on some imported plant material. It is unbelievable that Long Island is the only potato-producing area in the United States which has received this pest from Europe. It probably has been imported from European countries to other potato-producing areas of the United States, but the pest has not yet been built up to discovery levels in such areas.

There is no known practical control for the golden nematode. Since none of the chemical or cultural pest-control methods are effective in preventing the spread of the nematode, the use of quarantine regulations and the withholding of infested land from potato and tomato production has been carried on on Long Island, ever since the pest was discovered there.

The State of New York established a golden nematode quarantine in March 1944. Since 1945, the Bureau of Entomology and Plant Quarantine of the United States Department of Agriculture has been assisting the New York State Department of Agriculture and Markets in the various phases of the enforcement of the survey and regulatory program. Federal help in controlling the golden nematode was authorized by the Federal Golden Nematode Act which was passed by the 80th Congress.

The Plant Pest Control Branch of the United States Department of Agriculture takes soil samples in all of the potato-producing areas of the United States to determine if nematode cysts are present in the soil. These soil samples are processed in a USDA laboratory at Hicksville, Long Island, and at special laboratories set up on a temporary basis in other potato producing sections.

Since neither New York State nor Federal laws prohibit the growing of potatoes or tomatoes on golden nematode infested land, the State of New York since 1946 has reimbursed farmers for voluntarily withholding nematode-infested land from potato and tomato production. Because this is a national problem and too heavy a burden for New York State to carry alone, one-half of these payments to farmers have been made by the United States Department of Agriculture with Federal funds. However, the State of New York assumed the entire cost of compensatory payments in 1954.

I think it is an open secret that New York State expected to be financially able to bear a larger share of the costs of carrying out the nematode program. But things do not always work out as planned. As undoubtedly you have read in the newspapers, the costs of building more roads, schools, and other increasing expenses of government have so inflated the New York State budget that the State income in the year ahead promises to be considerably less than expenditures. As a result, the State of New York is unable to bear a greater share of the nematode-control program, as expected.

In fact, the 1955 New York State budget has reduced funds for the golden-nematode program by $25,000.

Last year, Congress appropriated $346,400 for the golden nematode control program. This year the Federal budget reduces the funds for the golden-nematode project by $100,000 or approximately one-third. Needless to say, such a drastic and sudden reduction in the funds will seriously cripple the whole project.

A one-third reduction in funds is going to force practically a 50-percent reduction in personnel. This in turn means that field surveys to detect infested soils will have to be cut by at least one-half. Last year, the USDA golden nematode control project took nearly 50,000 soil samples on Long Island, and about an equal number in other areas, to examine for the presence of nematodes.

Such a drastic reduction is going to mean that the United States Department of Agriculture will be unable to make surveys in the various potato-producing areas to detect new infestations of the pest. If new infestations are not found and contained or sealed off, the pest is apt to spread throughout the United States.

I feel that the golden nematode is a national problem, since it threatens the entire United States potato industry. I feel it would be very unwise to cut Federal funds for this project by nearly one-third.

Rather, I think funds for this golden-nematode project should be continued at the present level. The research project is by far too small in contrast to the seriousness of the problem. I would like to urge that Congress not reduce funds for the golden-nematode project.

I would especially like to recommend that Congress appropriate at least $100,000 additional in funds to the Section on Nematology of the United States Department of Agriculture so as to greatly expand the golden nematode research project.

The United States Department of Agriculture is spending $15 million in my county in constructing a foot-and-mouth research laboratory at Plum Island on the eastern tip of Long Island. As a farmer with a herd of 45 milking cows, I am just as interested as anyone else in finding a control for the foot-and-mouth disease. But it is out of proportion to spend $15 million for a foot-and-mouth laboratory, which will cost three or four million dollars per year to operate, and then refuse to spend $350,000 per year to protect the potato industry. Gentlemen, you could save the taxpayers a lot of money and increase golden-nematode research substantially by insisting that some of the unused land on Plum Island be used for research on golden-nematode control.

I wish to thank you gentlemen for the privilege of appearing before you.

I do not know how much time the committee has. I do not know how thoroughly anybody has gone into the method in which we go about detecting or attempting to locate the golden nematode. Every State in the Union that raises potatoes is checked every 3 years out of this appropriation. On Long Island, they go through every farm and take samples, 8 paces this way, 8 paces the other way—8 paces on the square.

Mr. MARSHALL. Mr. Davis, could you tell this committee as to the progress being made in the control, if any, of the nematode? Are we gaining or are we losing?

Mr. DAVIS. We are gaining on the spread.

Mr. MARSHALL. Gaining on the spread?

Mr. DAVIS. For instance, in my own country, there is 1 farm which immediately adjoins me, of 120 acres. On about 20 miles farther to the east, there is a small, 2-acre spot and on the South Fork near Congressman Wainwright's home there is another small 2-acre spot. In those areas it has not increased at all.

Mr. MARSHALL. Do you feel that, with the disease being pretty much confined to your area now, that you could eliminate it entirely?

Mr. DAVIS. That is one of the things we are hoping to do with the aid of research on some insecticide that will be effective in killing the cyst 100 percent, which the research thus far has not yet done or found.

Mr. WAINWRIGHT. May I interject something at that point? The potato farmers feel that this may be passed around the United States in the burlap bags and consequently places like the State of Maine, in particular, Rhode Island, who buy our potatoes and have bought our seeds have insisted as of this year—first of all, they stopped buying it a year ago which affected the economy because they shipped a good deal. Maine this year has come back and said, "O. K., we will take your potatoes but you have to put them in paper bags." I just say that to show the added economic burden on the Long Island farmer that this thing is causing.

Mr. DAVIS. Could I elaborate on that point just a little bit more. We as farmers got together a while ago and the crop as of July 1, 1955, no potatoes will be shipped out other than export in anything but paper bags. And that to us may be a cut of about 20 percent in our business due to the fact that a great many Southern States want potatoes in no other way but burlap. The objection to the burlap: they are new bags when they leave us; they can go to North Carolina,

be sold to a bagman, and be bought up in Cliff McIntire's farm up in Maine. There is the danger of that. So we have voluntarily gone to paper, except for export and the Canadian export will be in paper.

Mr. ANDERSEN. Mr. Davis, how long does it take for this disease to die out, provided that potatoes are not grown on a particular plot of land?

Mr. DAVIS. A good question. It is known that the cysts have lived in the soil up to 18 years where no potatoes have been grown on them.

Mr. ANDERSEN. The State of New York makes payments for land that is not put into potatoes, is that not so?

Mr. DAVIS. It makes payments for land, what we call a land that is known to be infected with golden nematode.

Mr. ANDERSEN. Which is kept out of production.

Mr. DAVIS. Yes, which is kept out of production.

Mr. ANDERSEN. And the State authorities must feel, then, that there is hope for curing the disease in that particular area by so doing?

Mr. DAVIS. We have hopes that research will come up with something, that we can hold it by a process of—and we are recommending that the farmers as much as possible follow a rotation which will cut down the speed at which the organism will multiply or else take it out of production and just wait for research, that is all.

We have got to find something to kill it, something we can live with.

Mr. MARSHALL. Did you have anything you wished to add at this point, Congressman McIntire?

Mr. MCINTIRE. Mr. Chairman, only that I appreciate the opportunity to be here and I join in the statement of Mr. Davis that it is a very serious problem and that we in Maine are interested because we do not know that we have it. Soil samples are taken there as in other producing areas and we have had to move over to some rather firm measures to try to protect our own industry from an infestation from the known area. We are certainly very happy to join with Congressman Wainwright and the folk on Long Island who are potato producers in supporting such appropriations to meet this problem where it is located.

Mr. MARSHALL. Congressman Wainwright, Mr. Davis, and Congressman McIntire, we appreciate your interest in appearing before this committee. We realize that you have a very important problem, not only to your area but to the rest of the people of the United States.

Mr. WAINWRIGHT. May I say one thing? I had the opportunity to read Congressman McIntire's statement before he presented it to this committee. Due to the fact that I was at a 4–H luncheon I could not be here in person to support it wholeheartedly.

Mr. ANDERSEN. Mr. Chairman, may I say that to my certain knowledge Mr. Wainwright, during the time he has spent in the Congress of the United States, has been very active in trying to do something constructive about this serious problem and this also applies to Mr. McIntire, of Maine. I do hope that we can do something worthwhile, gentlemen, to aid in finding a permanent cure for this pest because, as you have said, if it goes nationwide, it will certainly cost the people of America a good many millions of dollars to eradicate and control.

Mr. MARSHALL. Thank you, gentlemen.

MONDAY, MARCH 7, 1955.

INSPECTION SERVICE AND PEACH MOSAIC PROGRAM

WITNESS

HON. WAYNE N. ASPINALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Mr. MARSHALL. The committee will come to order. We are pleased to have before us Congressman Aspinall, of Colorado.

Congressman, do you have a statement?

Mr. ASPINALL. Mr. Chairman and members of the committee, I do have a statement. I wish to thank you for the opportunity to appear before you.

Mr. MARSHALL. We are always pleased to have you appear before this committee.

Mr. ANDERSON. I want to join in that, Mr. Chairman.

Mr. ASPINALL. This gives me a chance to speak in support of a vital and useful program, and that is the inspection system which assures the movement of high-quality products in interstate commerce. This inspection service is of particular value to the State of Colorado and to the Fourth District of Colorado which it is my honor to represent. This importance stems from our production, if I may say so in all modesty, of some of the finest fruits and vegetables grown anywhere. May I say further that this applies especially to our mountain-grown peaches, but is hardly less applicable to other of our products such as potatoes and onions.

I am advised by the commissioner of agriculture for the State of Colorado that the proposed reduction in the funds for marketing services, subitem 2, inspection, grading, classification, and standardization, will have a very adverse effect on Colorado agriculture. This adverse effect will stem from the fact that for many years the Federal Department of Agriculture has encouraged the inspection of agricultural products and the corollary fact that the State of Colorado has made every effort to join in such inspection program. As a result, there is a cooperative program of inspection of long standing and we have several programs in Colorado where our agricultural products are marketed under State marketing agreements. Such marketing agreements on quality, if they are to be effective, require not only inspection at point of shipment, but inspection at point of delivery as well. It is obvious that the program of shipping quality products will be materially hampered if market inspection cannot substantiate the correctness of the shipping-point inspection. When the fact is considered that 90 percent of all of our Colorado agricultural shipments move into interstate commerce, it becomes all the more clear that any reduction in the effectiveness of the inspection will adversely affect our programs. Beyond that, some 75 percent of our produce moves by truck, and this rapid transportation increases the number of points of delivery, increases the need for market inspection for quality, and requires more, not less, inspection than in years gone by.

I can speak of more personal knowledge about one product than others, but the application would be the same in any event. I have engaged in, and still live closely with, the production of peaches in

Colorado. As you may know, the peach, while a delicious fruit, is not nearly durable and storable as say apples or oranges. This fruit is subject to damage in shipment due to its tender physical makeup. More important than this, however, is the speed with which this product must be handled if it is to be anywhere near its peak of goodness and value when it reaches the consumer. It may sound odd, but a peach ready to be picked in the morning may be too ripe to pick and ship by late afternoon. When it is ready, it is ready and it must be picked, packed, and moved immediately into commerce. Storage is virtually out of the question.

Now the bulk of this peach pack is handled by cooperatives in my area and they have long been in agreement that the best way for our area to compete with similar fruit from other areas of the country which are closer to main market centers, is for us to ship only a high quality peach that will stand the travel involved and still arrive in such shape as to overcome the nearness factor of other peaches. The maintenance of this high quality pack, even though it begins with the individual grower, requires a careful inspection service both at point of shipment and point of destination. We cannot afford to take any chance on quality. We cannot take any chance on other fruit being used or sold under the quality banner of Colorado peaches for our very market, volume market, hinges on the realization by the consumer that the label actually covers the quality fruit it describes. We know from sad experience that without adequate inspection in the market, which is to say at point of destination, we run a grave risk of finding that our quality label is being utilized to sell inferior fruit.

The growers and the State of Colorado have long believed in and worked for a solid inspection service that will enable us to sell quality, for that is our best selling point. We have been careful to set high standards and high minimums for our product, even though this meant that it was necessary to decrease production or hold our inferior grade off the market even though it would be but a small percentage of the total output. We have long believed in this program and are convinced that it is essential to our well-being. This insistence on quality has been difficult to sustain of late times due to the fact that the market for peaches has been none too good, but the growers still insist that quality will sell the most fruit for the best return in the long run, for the satisfied consumer—that is, the housewife—will come back another time for quality.

Thus it is that I wish to urge this committee to give serious consideration to the reinstatement of the $250,000 for marketing services, a sum which has been appropriated for a long, long time. The small increase in the budget for agriculture would be more than outweighed in value received by both grower and consumer in the maintenance of quality output which can be sold and bought with confidence and assurance of value for cost.

There is one matter about which I speak from some experience because I have had charge of fruitgrower association platforms as well as packaging platforms and have been a shipper most of the time for the last 30 years myself.

The service—inspection service—without the participation by the Federal Government, cannot possibly be effective because moving in Interstate Commerce, as our products do, the very presence of a

Federal inspector with authority to see that the product conforms is what lends weight to the program.

So much for that.

With the Committee's further permission, I would like to say just a word about the peach mosaic program. You will hear expert testimony on this program from Mr. Herb Gates for the State of Colorado, but I would like to express my interest in this program which has been of particular value for the peach industry in western Colorado. Both the State and the people involved in Colorado have sought to discharge their full responsibility in this work and are prepared to so continue. This is due to the sober realization that any increase in this condition in the orchards of Colorado would have a grave impact on this important agricultural industry.

Last year in Mesa County, Colo., which county has the great bulk of the orchard land, there were just over 815,000 trees and the annual examination for mosaic resulted in the removal of 2,687 trees. In Delta County with 136,300 trees, it was necessary to remove only 5 trees. In the Utah area, it was necessary to remove 19 trees out of the 22,400 involved. These figures, while it may seem that only a few trees had to be removed, show the great value of continued control. It takes just a short while of carelessness to reestablish this mosaic in epidemic proportions.

As I say, last year we lost a good many trees again. They were eradicated, taken out, destroyed. We shall continue to do this, I understand. I am advised by the Bureau official that this is one peach-growing area where they are holding their own. They feel that the program should be continued, that even though they are changing the place of their main office, they are moving Mr. Cavanagh out to San Francisco and are going to carry on with the kapra beetle and the peach mosaic programs from the San Francisco office under Mr. Cavanagh's leadership. I have been told by the Bureau that the work in my district will be approximately the same as it has been heretofore. I have nothing to say about amounts or anything like that but I do wish to advise the committee that the program has worked effectively, efficiently, and I believe in the interest of the national welfare.

Mr. MARSHALL. We would like to say that, largely because of your efforts, the committee restored those funds a year ago for the control of peach mosaic.

Mr. ASPINALL. I remember that very appreciatively.

Mr. MARSHALL. We are glad to get this report, because it is a further indication that this committee was justified in taking the action that it did. And while we are holding our own, we hope that any action that we take this year will not unfavorably affect the program, because this committee is anxious that it be carried out.

Mr. ASPINALL. I was advised that even though the Bureau, having control, has asked for a lesser amount, nevertheless they intend to carry on the program in Utah and Colorado in about the same manner that they did carry it on heretofore. I don't know what that means in the other areas, but I do know that in my opinion it is very worthwhile not to lay down now when we have taken out almost a million peach trees for which the growers have received nothing except some of the expenses in taking those peach trees out.

Mr. MARSHALL. This committee at times has taken exception to some of the proposals of the Department of Agriculture. We feel that where we do have at our disposal means of controlling diseases, it is being pennywise and pound foolish to not put into effect good control measures.

Mr. ASPINALL. I think the committee is to be complimented. Here again, as I suggested in the other program, the mere presence of a representative of the Federal Government at the time these eradication programs are being carried on lends strength to the program. Many growers might be willing to hesitate, might even be willing to challenge if it were not for the fact that it has been shown that here is a representative of the Federal Government. It is a part of a common program to eradicate a very serious situation in the fruit industry.

Mr. ANDERSEN. I think you will agree with me, Mr. Aspinall, that while we are all in favor of research in trying to find out what to do with these various problems in agriculture, it is rather foolish, once having found out the answer, to forget about the control part of the programs. That is one place in which this subcommittee the last 2 years has disagreed with the budget. We feel that it is proper for them to put the emphasis that they do upon research but at the same time we do insist that the control programs be properly taken care of.

Mr. ASPINALL. I think my friend is exactly right because research and finding the answers and doing nothing about it is more or less a waste of money.

Mr. ANDERSEN. Considerable waste, in my opinion. I believe that we must always maintain a proper balance between the two. I am personally very much in favor of both of them, wherever it proves to be necessary.

Mr. ASPINALL. I am glad to hear that.

Mr. NATCHER. Congressman Aspinall, I want to compliment you on the fine statement that you have made to this committee. Knowing of your interest in this particular project, I had the pleasure, Congressman Aspinall, several weeks' ago to point out this matter to the Secretary of Agriculture. I have received a number of letters from over the United States concerning the failure to place this particular item in the budget this year and I received a letter from the commissioner of agriculture of the great State of Colorado. As I explained a few minutes ago, I pointed that matter out to the Secretary of Agriculture and I read a portion of the letter that I received from the commissioner of agriculture of your State. It is as follows:

> It has been called to our attention that the agricultural budget for the coming year does not include a request for appropriations for $220,000 which appropriation has been made for years past. We respectfully request you give consideration to increasing the budget estimate for the item, "Marketing services," subitem 2, "Inspection, grading, classification, and substandardization," in the agricultural appropriations bill by the $220,000. We have in Colorado come to depend more and more on inspection services and by cooperative agreement we are performing joint Federal-State inspection. We have several programs in the State where shipment of our agricultural products are marketed under marketing agreements under the encouragement of Federal Department. Inspections are required on all shipments. This inspection would be reduced greatly in effectiveness if the marketing inspection is not available to substantiate the correctness of the shipping point of inspection and assure the shippers of a means of making delivery at destination on their shipments.

Congressman Aspinall, knowing of your interest in this particular matter caused me to read that portion of the commissioner of agriculture's letter to the Secretary of Agriculture, Mr. Ezra T. Benson.

Gentlemen of the committee, I want to say to you that I have always considered Congressman Aspinall one of the outstanding Members of the House and, Congressman, we appreciate your statement.

Mr. MARSHALL. Members of the committee will agree with that statement.

Mr. ASPINALL. I would like to say that I agree entirely with what our agricultural director of agriculture, Mr. Swisher, had to say.

Mr. MARSHALL. Thank you very much, sir.

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MONDAY, MARCH 7, 1955.

## MARKET NEWS SERVICE

### WITNESS

### HON. HARLAN HAGEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. MARSHALL. The committee will come to order.

We have before us Congressman Harlan Hagen of California. Do you have a matter that you wish to take up with this committee, sir? Proceed in any way you wish.

Mr. HAGEN. This deals with the livestock Market News Service which is under your jurisdiction, I believe. This request that I have for the addition of an estimated $14,000 to the current budget of the Department——

Mr. MARSHALL. You had made some inquiry of us earlier, and this committee asked the Department people when they were before us about their feelings in regard to this matter. We want you to know that this committee has taken recognition of the letter which you sent to this committee.

Mr. HAGEN. Was the Department favorable on it?

Mr. MARSHALL. The Department indicated to us that there is an interest and a need for that particular work.

Mr. HAGEN. That is what I hope to establish here, Mr. Chairman. As I say, this request originated with the cattle people in my district and in other districts in the State of California.

To give you a little picture and probably you gentlemen know a lot more about this than I do. I am not a cattleman myself, but presently they have a Market News Service office at Los Angeles and at San Francisco or South San Francisco, the terminal yards for livestock shipments. Of course, they have large slaughterhouses in both those cities. They also have presently an office at Stockton, Calif., and, as I understand it, this program of reporting sales prices, quantities and so forth, of cattle, is supported jointly by the Federal Government and by the State on a matching basis.

The State of California has actually appropriated more money than there has been matched by the Federal Government. The reason for the growth of the necessity for this in effect expanding this

service in California is that there has been a great expansion in the production and marketing of beef cattle. This expansion has taken place in the great Central Valley of California which runs from the Oregon border, approximately, to down to the mountains in my district. Whereas, traditionally, the cattle were raised up in the mountains on the range, the farmers in the lowlands now are raising a lot of grass crops and you have a different picture of production. As a consequence, most of the sales are not taking place in these terminal yards where some large cattleman ships hundreds of cattle down and sells them there. The sales are accomplished on the farm or at various feed lots which are scattered throughout the area, and because of that fact, this present state of the news service in California is inadequate because they do not get the reports with their existing officers on most of these country sales, so-called, and consequently neither the buyers nor the sellers, potential buyers or potential sellers of cattle know what is going on in a great many of the sales in the State.

With this additional office that condition would be corrected. Presently, there is an office, as I said, at Stockton. Stockton is some 200-plus miles north of Visalia which is in my district. There is one representative of Stockton who comes down to Visalia, 1 day a week. He goes farther south way down in the Imperial Valley, way down in John Phillips' district, and I would say that is an additional 300 miles. Now I am proposing that a $14,000 Federal appropriation be used to establish an office at Visalia. That would augment the personnel of the service, of course. It would put a man in the area where there has been a tremendous growth in livestock marketing. And it would release the Stockton man from these extra duties which would permit him to expand his activities in the area north of Stockton. That includes the whole Sacramento area around Dixon, Calif., and north where they have a tremendous amount of these same kind of cattle sales on the farm or in the feed lots.

Visalia is a logical place for the location of this because the Farm Bureau maintains a cooperative sales yard there which handles a great many of the sales of cattle.

At this point in the record, Mr. Chairman, I would like to at least list some various communications from people who are in favor of such a project as we have been talking about.

These are all telegrams, Mr. Chairman. The first is from the Visalia Chamber of Commerce requesting support for the $14,000 annual Federal funds.

The second one is from the Lemoore District Chamber of Commerce also urging support.

Then the third telegram comes from the Lindsay Chamber of Commerce asking support for the same thing.

Then one from the Wasco Chamber of Commerce requesting support for this program.

That is followed by a wire from the Manteca District Chamber of Commerce expressing strong support of the program as proposed by the California Cattlemen's Association.

The Porterville Chamber of Commerce agrees that such an office in Vasalia is of major importance to the San Joaquin Valley.

The Taft Chamber of Commerce urges support for establishing a Federal-State marketing news service.

Tulare County Chamber of Commerce also asks support for a Federal-State marketing news service which they feel has become a vital necessity to their rapidly growing and important cattle industries not only in Tulare County but in the entire San Joaquin Valley.

Here is one signed by Ben Goodwin, president, San Joaquin County Chamber of Commerce urging support.

The last one is from George N. Tucker, manager and secretary of the California Cattle Feeders Association with offices in Los Angeles.

Mr. Chairman, in addition to the telegrams which I have just mentioned, I have here also some communications, letters, with respect to this subject.

Here is one from Claude Paregien of Visalia; another from Sam Newman; also one from Axie Morgan. As a matter of fact, here is a copy of a letter from Axie Morgan to Senator Kuchel.

Then, from Hanford, Calif., I have a letter from Forest McEuen of the Kings County Livestock Department. Following that is a letter from—a copy of a letter from Congressman Sisk to Mr. Ira Chapman, director, California Farm Bureau Marketing Association. In addition to that, here is a letter from Tom Martinez, president, Tulare County Cattlemen's Association.

This one, Mr. Chairman, is from the Tulare County Farm Bureau and signed by Richard Berry, president.

In order to save time, Mr. Chairman, I have not read these communications which support this request. However, I have two which I feel it might be well to read for the record. This one is from the California Cattlemen's Association. It is dated February 16, 1955, and is signed by Harvey A. McDougal, president. This says:

We would like to call to your attention Resolution No. 11 passed by the members of the association in convention at Sacramento on December 8, 1954. This resolution calls for the extension of the Federal-State market news service to provide for a fully established market news office at Visalia for the daily reporting of prices and marketings of livestock by direct and contract sales from ranches, feedlots and sales at major auctions in the area.

The market news service covers the auction yards, and reports on country range sales and feedlot sales in the San Joaquin and Sacramento Valleys; these are being handled in a limited way by the market reporter stationed at the Stockton terminal livestock market. The funds amounting to $14,000 for this and other livestock market news services in these two valleys was originally appropriated by the California State Legislature in 1949. The members of our association and the California Farm Bureau Federation feel that the growing importance of the beef cattle industry in California necessitates the expansion of the livestock market news service in the Sacramento and San Joaquin Valleys, particularly in the category of country range sales and feedlot transactions.

The leaders in the industry believe that the Federal Government should match the $14,000 appropriated by the State legislature in 1949 for the purpose of expanding the livestock market news service in the field of country range sales and feed-lot transactions. We would appreciate it very much if you would urge the addition of $14,000 to the general agricultural appropriation bill, for the purpose of augmenting this livestock market news service in the Sacramento and San Joaquin Valleys of California. We feel strongly that such services should be located at the California Farm Bureau Marketing Association auction yards in Visalia.

We also believe that cattlemen in the other Western and Midwestern States will be interested in such expansion in these valleys because they ship into California around a million and a half head of stocker and feeder cattle and calves and cattle for immediate slaughter each year.

Now, then, Mr. Chairman, with your permission I will read from a letter signed by John Guthrie, past president of the California Cattlemen's Association, dated February 10, 1955. It is addressed to me.

Pursuant to your request of yesterday, I have assembled information pertaining to the development of livestock production and marketing in California, and the present need for a livestock office of the Federal-State Market News Service in the San Joaquin Valley, preferably at Visalia.

In order that you may have complete details, I will review some of the history. Up to 1949, the livestock branch, market news service, was established only on the South San Francisco and Los Angeles stockyards, with very minor coverage of country transactions by farmers, feeders, and others off the central markets within nearby areas. In 1949 the California State Legislature appropriated $14,000 to extend this service to the Stockton and Visalia markets with a limited coverage in the areas adjacent to these two markets. This has proved of great value to livestock producers located not only in close proximity to these two markets, but also in more distant counties and States where the reports are now disseminated to them.

Within the last 20 years there has been a marked change in California's livestock industry due largely to two important factors—the tremendous increase in human population and the development of permanent pasture in the great interior valleys of the State. Within the past year, too, diversion of land removed from cotton because of acreage allotments has been largely to feed crops like barley, corn, and alfalfa. It is estimated that 90,000 acres went into yellow corn in the 4 southern San Joaquin Valley counties alone, with the greater percentage in Tulare and Kern Counties. The State's human population is estimated at 12¼ million now as compared to 7 million in 1940. The acreage planted to permanent pasture has continued to expand and stands now at nearly 800,000 acres as compared to less than 200,000 acres in 1940. The increased population of the State has resulted in California becoming a deficit State for beef, lamb, and pork. Much of the livestock industry of the State has been changed from cow herds to a farm and feed-lot feeding operation, which includes large commercial feed lots and hundreds of small-farm feeders. The increased feeding operations, however, have not altered the fact that California is still one of the most important grass cattle States.

To meet the demand for cattle from farm and feed-lot operators, cattle now come into the State from all over the area west of the Missouri River.

While the demand for livestock is now vastly greater in California than it was prior to 1940, and the number of livestock transactions are constantly increasing, a proportionate increase in receipts of livestock at the principal terminal markets at Los Angeles, San Francisco, and Stockton has failed to materialize. More and more a greater percentage of livestock are being sold at feed lots and at country points and these are inadequately reported by the Federal-State Market News Service. The cattle marketed at the 3 terminal markets in California in 1954 represented less than 27 percent of the cattle slaughtered within the State. The trend in receipts has been quite different at Visalia, an auction market, where since 1940 the annual receipts have increased from around 26,400 head to 102,000 head in 1954. Besides this, in the San Joaquin Valley, with Visalia as a focal point, are located about 35 percent of all cattle in California. The commercial feed-lot capacity of the State is now estimated at 655,000 head. Approximately one-fourth of this capacity is located within a radius of 100 miles of Visalia.

A livestock market reporting office situated in Visalia would be in an excellent position to confirm and report the sales of cattle from feed lots in the area, as well as the transactions on farm and range. Besides that, it would be in a position to get firsthand information on the importation of cattle from other Western States to the feed lots, farms, and ranges of California. It is estimated that more than 500,000 stocker and feeder cattle came into this area of California last year, and the California Farm Bureau Marketing Association at Visalia handled nearly 15 percent of these. According to the records of the marketing association, a total of 74,000 cattle were handled by them in 1954. These cattle originated in Arizona, Colorado, Idaho, Kansas, Montana, Nevada, New Mexico, Oklahoma, North Dakota, Oregon, Texas, Utah, and Wyoming. Thus, the need for market reporting in this area is not only desirable from the standpoint of California producers, farmers, and feed-lot operators, but it is of vital interest to cattlemen and other livestock producers for the entire region covered by the 11 Western States and Texas.

At the present time one market reporter is located at Stockton. This reporter attempts to cover that market, the Visalia market, and as much country trading and feed-lot transactions as he can in the alloted time. It is my proposal that in order to provide greater and more accurate coverage for the country and feed-lot transactions, representing the majority of livestock marketing, to establish a marketing news-service office permanently in Visalia. The personnel stationed at this office could devote at least 75 percent of their time to covering San Joaquin Valley livestock marketings at country, and feed-lot points. The personnel now at Stockton, in addition to covering the market there, could work through the Sacramento Valley and the Mother Lode area, covering many livestock transactions that take place there every week. The Visalia personnel, in addition to their reporting of country and feed-lot transactions, would cover auctions at Madera and Visalia. These sales are conducted by the California Farm Bureau Marketing Association and cover all classes of cattle.

The $14,000 appropriated by the California State Legislature in 1949 has enabled the development of the livestock market news service to its present stage of efficiency, and for the personnel and the funds provided, it is my opinion that they are doing an excellent job. A matching amount of funds from the Federal Government would provide additional personnel and facilities necessary to extend the service to a complete coverage in all of the San Joaquin Valley and for some extension of activities in the Sacramento Valley.

My present request for this service originated with a resolution of the California Cattlemen's Association at its annual meeting in Sacramento last December. A similar request was instituted and supported by the members of the California Farm Bureau Federation in 1951.

I, therefore, hope that it is possible for you to persuade the California delegation in Congress to exert their influence to have a sum of $14,000, the full amount of which should be allocated to Livestock Market News Service, included in the general agricultural appropriation bill, for the purpose of augmenting the livestock market news service in the San Joaquin and Sacramento Valleys of California.

Mr. HAGEN. I would like to insert at this point when I revise my remarks a letter I expect to receive this week from Dr. Earl L. Butz, Assistant Secretary of Agriculture.

Mr. MARSHALL. That will be satisfactory.

(The letter referred to follows:)

DEPARTMENT OF AGRICULTURE,
*Washington, D. C., March 9, 1955.*

Hon. HARLAN HAGEN,
*House of Representatives.*

DEAR CONGRESSMAN HAGEN: This is in reply to your letter of February 18, concerning the desirability of establishing a livestock market news office at Visalia to more adequately cover the livestock sales in the southern San Joaquin Valley in California.

The cooperative financing of the Market News Service is based on a plan developed in 1950 at the direction of the Congress. The data collected and reported are classified as to the breadth of their significance and fall into three general categories as follows:

Category I includes basic marketing data of national significance which have an effect on marketing on a national or broad area basis. This service is considered a Federal responsibility to be financed entirely from Federal appropriations.

Category II includes supplementary or subsidiary marketing data of less than national significance desired by local interests from markets of national significance within their State and data from markets or marketing areas within a State which are of primary interest to local trade and nearby producers and shippers but which exert some influence on marketing on a national, broad area, or interstate basis. The service in this category is considered a joint Federal and State responsibility and should be financed jointly.

Category III includes marketing data from those markets which are of interest only to local growers or industry groups and exert little or no influence on marketing on a national, broad area, or interstate basis. This service is considered a State responsibility to be financed from State and local funds.

Applying the above criteria, the Stockton-Visalia service was originally classified as category III. As stated in Mr. Guthrie's letter, Visalia is the focal point of an increasingly important livestock-marketing area. Cattle are shipped into this area not only from California but from several other States, and packers make purchases of beef from this area for distribution over a considerable part of the country. In view of the growth of the livestock industry in the San Joaquin Valley in recent years and the broad regional nature which characterizes the data issued at Visalia, the service is now considered category II.

We will be happy to furnish any additional information you may require.

Sincerely yours,

EARL L. BUTZ, *Assistant Secretary.*

One final comment, Mr. Chairman. As I understand it, it would cost about $6,000 for the salary of the man who would do the reporting with the assistance of approximately a $3,000 clerk. Office space would run about $1,200. Their wire costs $50 to $75 a month. There would be expenses for telephone and travel and supervision.

Mr. MARSHALL. It would require a Federal contribution of approximately $14,900.

Mr. HAGEN. As I understand it, the State has matched that equally.

Mr. MARSHALL. Congressman Hagen, we are very appreciative of your appearing before this committee and for your efforts in the matter. Due to your efforts, we asked the Department earlier in the hearings to give us a report on the need. That has been further indication of the interest in this matter.

Mr. NATCHER. I would like to join with you in thanking Congressman Hagen for the fine statement he has made to the committee.

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MONDAY, MARCH 7, 1955.

## SOIL CONSERVATION

### WITNESS

### HON. JAMES WRIGHT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. MARSHALL. The committee will come to order.

We are pleased to have before our committee Congressman Wright, of Texas. Proceed in any way you wish. The committee will be very happy to hear from you.

Mr. WRIGHT. If I may, I'll just talk informally with you. My main concern is not with how it looks in the record but with successfully communicating a few thoughts to the members of this subcommittee. I want to discuss two items in the soil-conservation appropriation which are very important to the folks in my district, and I expect similarly important to folks all over the country.

In particular, they are the conservation-operations item and the flood-prevention item, each of which seems to have been decreased in the budget estimate for 1956 from the current 1955 fiscal year appropriation.

My people in the five counties which comprise my district have made more practical use, I expect, of the services of the soil conservation field technicians than of just about any other service provided by our Federal Government.

In my opinion, this activity has accomplished more lasting good at a lesser expense to the Federal Government than has almost any other Federal undertaking.

I have studied some of the records of previous legislative hearings. I note that the soil conservation officials themselves, testifying last year before this subcommittee, pointed out that while 84 percent of all the farms and ranches in the country had been included in the Soil Conservation Districts which are, of course, operated at the local level in the most democratic fashion possible, only 22 percent of them after 20 years of work in this field had been fully planned for conservation practices. They stated further that the rate of application at the present rate amounts to only about 3 percent of the farms annually.

At this rate, it is a 33-year undertaking. If this vital work is to be further slowed down by the imposition of this drastic cut, there is no telling how long it may take to complete the job.

Realizing that you must feel the sense of responsibility to keep appropriations down as much as you can in keeping with the needs of the country and budget requirements, I am constrained to suggest that this is one activity which needs to be speeded up instead of slowed down when we are depleting the top soil at an overall rate of one-sixteenth of an inch annually.

Mr. ANDERSEN. Your expression is the opinion of the subcommittee. We are glad to hear that you agree with us.

Mr. WRIGHT. Thank you, sir. It seems to me that the Government spends no money more wisely than the pittance it allocates to this soil conservation activity. I investigated through the Library of Congress and discovered that the net worth of our farmlands is currently estimated at $85 billion which is 2361 times what we are investing in this conservation operations item to hold those farmlands where they are and keep them productive.

I observed in the record of the testimony before the House Agricultural Committee last year on soil and water conservation loans that it was estimated that by 1975 the Nation is going to need the productive equivalent of an additional 115 million acres of improved farmland. In a frontierless country, this cannot possibly be achieved apart from an energetic soil conservation program of increasing the productivity of our existing cultivated acreage.

I do not want to belabor this particular point on this conservation operations item. I am encouraged by the comments that you have made, and I think it is important that we restore the appropriation to a realistic figure.

I did want to talk with you briefly and thus conserve your time. If you like, I will get on to this second item.

Mr. ANDERSEN. Before you leave this subject, I contend, Mr. Wright, that when we encourage the farmers of the Nation to form soil-conservation districts, we should then be ready from the Federal viewpoint to back up that action on their part by furnishing them very shortly thereafter with technical assistance.

Now, this budget before us does not furnish technical assistance for the new districts. I personally object to that. I think that that is poor business, putting it bluntly. It is our intention, I hope, as a subcommittee, to recognize and to rectify that error and bring back

to the Soil Conservation Service the appropriations it needs for ample technicians throughout the service.

Mr. WRIGHT. Mr. Andersen, in a few words you have expressed what I came here to say. I appreciate your remarks.

One other thing I wanted to discuss, and you are probably a good bit more familiar with this than I am. It involves the flood-prevention item in the Soil Conservation Service budget in the Department of Agriculture. I want to tell you just a little about how this thing is affecting my district. I come from the Fort Worth area where only 6 years ago metropolitan Fort Worth was inundated by a ravaging flood. Much of the devastation of that flood might have been prevented had we begun at the top of the hill where the first trickle begins to carve out a gully and installed these little flood-prevention dams.

Since that time, 33 of those dams have been approved by the Soil Conservation Service in the Clear Fork watershed upland of Fort Worth on the Trinity. They are dual-purpose dams. They serve both the purposes of flood control and soil conservation. Thirteen of those dams have either been completed or are in the process of construction, nearing completion. Yet the money has run out. I think that this is one of the finest activities in which the Government is engaged in our particular area. It has given new hope to our people. It has shown that we are actually interested in applying the principles that the Government espouses on a down-to-earth level. I would like to see moneys restored, if at all possible, in order that this work may proceed, for all these 33 dams. Easements are signed, and there is nothing in the world holding up the completion of those projects except the exhaustion of the funds which were provided.

Mr. ANDERSEN. You are referring to the Trinity watershed, Mr. Wright?

Mr. WRIGHT. Yes, sir. It is my understanding that these particular dams to which I refer today are handled under the Soil Conservation Service jurisdiction rather than under the Corps of Army Engineers as is the case with some of the other work. Yet it all contributes to the same purpose, trying to solve the same problem.

Mr. MARSHALL. You are right when you say that much could be done by going upstream into the headwaters of the little streams and doing the job. It will mean a lot to the people of America if we can bring that into being relative to every watershed in America.

Mr. WRIGHT. I know that this same problem is confronted on every watershed and particularly these large ones to which you have referred.

Without in any way disparaging the other watershed programs, I would like to call your attention simply to two facts. The first is that the Trinity watershed is, I believe, the biggest. It affects more acres. Yet, proportionately, the appropriations have not been as big as they have been on the others.

The second point I would like to make, and I believe your facts will verify this, is that there have been greater local financial contributions, matching what the Government has been doing on the Trinity, proportionately, than there have been on the others.

Mr. ANDERSEN. I think you are correct in both statements, Mr. Wright.

Mr. WRIGHT. My source of information for that particular statement is the Trinity Improvement Association which would naturally have a bias toward the Trinity but which I regard as an extremely reliable organization and a wholly dependable source of information.

Mr. ANDERSEN. We have had the gentlemen before us and they have made very good presentations in years gone by.

Mr. WRIGHT. I do not want to burden you with a lengthy discussion, but I did want to say that if anything could be done to help restore those appropriations both for the conservation and field operations and for this flood-control work which is so desperately needed at least in our territory, and I presume in others, I know our people would be very grateful. I think it would serve a real need.

Mr. MARSHALL. Congressman Wright, I have been very much pleased and very much impressed with your work in your first term. You have been very diligent in your duties. You have certainly given this committee some very valuable information this afternoon. We are always pleased when our colleagues take time out to appear before this committee. This committee has repeatedly expressed itself in favor of soil conservation. That includes not only the districts but also the watershed program. We have Mr. Andersen here who has been one of the proponents of the Andersen-Hope watershed program.

So I think that you will find that this committee will be very sympathetic in considering the views you have expressed this afternoon. We do have a problem of trying to find ways of financing the operations of the Federal Government. With that in mind, we certainly try to bring out an appropriation bill that will cover all of the problems of agriculture as fairly as possible.

Mr. NATCHER. I have no questions, Mr. Chairman, but I, too, would like to join with you in complimenting Congressman Wright on this fine statement.

Mr. ANDERSEN. I would also like to join in that, Mr. Chairman.

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MONDAY, MARCH 7, 1955.

## NATIONAL SEED STORAGE FACILITY

### WITNESS

### HON. WILLIAM S. HILL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Mr. MARSHALL. The committee will come to order.

We are pleased to have before us Congressman Hill from Colorado, a member of the House Agriculture Committee, who has had long and outstanding years of service in the Congress. This committee is very happy that you are with us this afternoon. You may proceed in any way you wish.

Mr. ANDERSEN. I want to join in welcoming Mr. Hill before us, his companion committee, here. We are not only friends of long years standing but I do know of Mr. Hill's good work on the Committee on Agriculture. I personally value his opinion very highly.

Mr. HILL. Thank you, Mr. Chairman. I appreciate those very excellent remarks from all of you and especially doubly appreciate them when I realize they are all from the heart.

I cannot separate the Appropriations Subcommittee on Agriculture from the Agricultural Committee. We are all working for the same ends and I might add that I have always felt in my service in this House that the two committees that acted the most nonpartisan and, shall I say, nongeographical were the Committee on Agriculture and the Subcommittee on Agricultural Appropriations who pay no attention to State lines or areas, or haven't, to my knowledge. And second, no political sides have ever been taken on political issues.

I have a peculiar mission today in that I am going to testify for just a few moments. I know how busy you are. Then, if you have time, I would like for you to read what I have to submit for the record. But I will make a few extemporaneous remarks.

First of all, I am appearing because, of course, I have a letter here from my president of the State Agricultural College, Agricultural and Mechanical College, at Fort Collins, William E. Morgan.

In addition—I do not want to file the letter—I want to talk about what they said and then file a statement. He is supported by his dean and director, S. S. Wheeler. What I am to speak about is a matter in which they are vitally interested. That is the national seed storage facility. Somewhere or somehow that fund should appear in the budget. But the Department of Agriculture felt that while it was somewhat an extremely important project, they had been unable to get the matter into the budget.

This national seed-storage facility would be constructed by the Federal Government.

Mr. MARSHALL. I understand we have lost a lot of seed stock because of failure to maintain——

Mr. HILL. Yes, sir; plus something more.

The two items I wish to file contain the whole story of this wonderful program to carry out this plan of a national seed-storage facility. It will cost about $450,000 to construct it and then in addition it will cost, as I recall, $100,000 a year to maintain it. That is not much money when you consider the importance of agriculture in the United States. With 160 million people now and a chance to have 200 million by the next 25 years, should we go sour or begin to fail to produce an abundance of food we would really be in difficulty.

I shall just mention these topics and then I will be glad to answer questions.

The question, why a national seed-storage facility is necessary, and then they discuss germ plasma. If it is once lost, maybe you will be able to find it and bring it back into the production of the plant and then you may not. Then it talks about the present facilities for storage. We are talking about seeds and you do not have many facilities. I think you have one in Maryland that is about all you have. Of course, all of this is looking toward the future. In addition to that, in this last paragraph, a national seed-storage facility and how it would operate, and then the names of the top scientists that support it.

If I may file that.

Mr. MARSHALL. Without objection it will be placed in the record.

(The document referred to is as follows:)

A NATIONAL SEED STORAGE FACILITY (TO PROVIDE A GERM PLASM BANK FOR FUTURE PLANT IMPROVEMENT)

Precious plant germ plasm is being lost in the United States. Plant genes which are irreplaceable today have died. Lack of proper and adequate storage space is the principal cause of the complete or partial loss of germination of many lines of plant breeding material held by the United States Department of Agriculture and the State experiment stations.

Plant explorers of the United States Department of Agriculture have for years been searching every corner of the globe for seed of different kinds of wild and cultivated plants. Thousands of collections, many from areas now behind the Iron and Bamboo Curtains, were brought to this country for future use by our plant breeders. Today we find that much of this valuable material has died or been lost and dissipated through the lack of storage facilities or properly placed responsibility in the care and maintenance of such propagative material. As is usually the case, "that which is everyone's business is nobody's business."

In the case of grains, more than a third of all the lines originally collected are now dead. This loss means that many thousands of grains with different kinds of germ plasm, possessing various genes for disease and insect resistance, drought or winter hardiness, quality and yield factors, and adaptability to southern or northern conditions, are lost to the scientists who are seeking certain desirable characters needed to meet our present production and processing problems.

A large collection of bean types, many aboriginal, was made some years ago in southwestern United States. These were held at one of the Federal horticultural stations. The lack of proper storage space and funds to regrow these lines periodically in order to keep them viable has resulted in the loss of a major part of this collection.

A few years ago a study was made regarding the availability of clover introductions that had been made since 1898. This survey disclosed that only 1 out of every 50 clover lines introduced was still available

Nearly every seed-producing crop has a similar history. In many cases the introduced lines were forwarded to individuals at experiment stations who were most interested in and working with the particular crop concerned. In some few cases an excellent job of taking care of the seed collection was done, but usually the collection was dispersed or lost when the responsible individual who was personally interested in the collection retired or died.

In years past few people had the vision or a proper understanding of the importance of individual genes or the factors they controlled in our crop plants or their wild relatives. Scientists who may have been sent many of the imported plant lines often discarded all that did not contribute to their particular problems. From time to time the breeding problems faced by the scientists change. For example, breeders are seeking resistance to race 15B of stem rust of wheat today. Five years from now it probably will be some other race of rust that may not even exist today which will demand other sources of rust resistance.

A change of cultural practices brings about a demand for different characters. Mechanization of harvesting procedures for cotton, beans, corn, small grains, legumes, and other field or horticultural crops requires different types of plants than those that were acceptable when hand and horse labor was exclusively used. Valuable germ plasm for other characters perhaps today undreamed of will be lost unless action is taken now to protect and perpetuate it. Actually no individual scientist and few institutions can afford to store and maintain properly all of the many lines of any one kind of plant that are available in the world.

Many native or wild plants closely related to our crop plants have been found to possess characters of disease or insect resistance, winter hardiness, drought tolerance, and other desirable factors which can be obtained when these plants are crossed with our commercial varieties. It is now hard to find some of the old native grasses and forage crops. Seeds of such plants must be protected.

Fortunate is the experiment station that has proper and adequate storage facilities for the germ plasm its scientists need today. Such institutions are few and far between, and none have more than temporary storage for more than part of their crop plants. In the case of the proposed germ plasm bank, we are not talking about seed increase storage or seed for yield trials,

and only indirectly about the relatively few lines of breeding stock which are being used to solve current problems. We are referring to the tens of thousands of lines of plants that will supply the germ plasm from which the genes that control factors needed for future genetic and plant improvement work. All seed-bearing plants are included.

It is proposed that a national seed-storage facility be constructed at Federal expense for the storage and preservation of a small quantity of seed of every seed-bearing plant which may be of value for future plant breeding work. In the case of small seeds it would amount to only a few ounces, and with large seeds the total weight of any one variety would not exceed a pound or two.

Special construction and the provision for controls are needed which will provide different temperature and humidity conditions for the continual protection of seed which will require many different combinations of storage conditions for optimum safety. Laboratories for research studies on the storage problems and viability of the different seeds, together with facilities for the necessary staff, must be provided.

It is believed that the most suitable place for the storage building would be in a dry, high region. It is estimated that a building adequately equipped to meet the present needs will cost not less than $450,000. Operating costs, salaries, and a fund which will permit renewing of seed as necessary under contract by the breeders in the areas where those crops are grown would not exceed $100,000 per year.

A thorough investigation has been made as to the availability of suitable buildings owned by the Government which are already in existence. None that meet the special requirements are in the dry, cool area and those available in such regions are not suitable.

There is no duplication of the germ plasm bank now contemplated, by existing storage facilities in the United States. However, to keep the record straight, the Plant Introduction Section of the Department of Agriculture has a small, well-built storage facility of limited capacity at Glenn Dale, Md., where the newly introduced seed from all over the world is stored when it arrives. This small building was built a few years ago, and although already crowded it shows the advantage of proper seed storage. Germination is maintained at high levels for longer periods, thus reducing the cost of maintenance by greatly lengthening the time between replantings.

All State and Federal experiment stations have some type of seed storage. A few are for special crops but mostly they supply general storage and contain many genera. In most cases the storage is not adequate or properly equipped, but the operators do the best they can to maintain the germination of the seeds now being used in the breeding programs. These storage facilities should be improved and will be continued for use by scientists in their year-to-year working programs.

Seed material used to solve current problems or those of the foreseeable future amounts to thousands of different lines. With the constantly shifting problems the scientists must decide which hybrid lines to keep and which to discard. These decisions must be made on the basis of their present breeding program and not on future needs. Hundreds of lines possessing different combinations of characters may come from a single cross. No institution has the physical facilities or men to maintain a germ plasm bank which will protect all our valuable and often irreplaceable plant material for future generations. Therefore, we repeat, the proposed national seed storage facility will in no sense duplicate existing seed storage.

For several years many national organizations have recognized the need for such a national germ plasm bank. It has received high priority on the recommendations of several of the agricultural advisory committees, but neither the Department of Agriculture nor the Budget Bureau has permitted it to appear in the agricultural budget. As far as the Department of Agriculture is concerned, their expenditures for buildings are limited to $25,000, and while they admit the present need for such a seed-storage facility as has been described, they have thus far neglected to include the item in their budget request. Among the many organizations supporting the above project are:

National Research Council
American Society of Agronomy
American Society for Horticultural Science
Grain Improvement Council
National Wheat Growers Association
Beet Sugar Development Foundation

American Society of Sugar Beet Technologists
American Seed Trade Association
Northwest Crop Improvement Association
Pacific Northwest Crop Improvement Association
State Crop Improvement Associations
North Dakota Farm Bureau Federation
Soil Science Society of America
Rust Prevention Association

(Prepared February 1955 by Rust Prevention Association, 745 McKnight Building, Minneapolis, Minn.)

Mr. HILL. Then I have another document. I will appreciate it if the committee is sympathetic, I would be more than happy with the support of the committee to introduce any authorization that we think necessary.

Mr. ANDERSEN. There is a group coming here from Minnesota to testify in behalf of the same general subject. Mr. Don Fletcher is the leader of that group.

Mr. HILL. He is the gentleman who arranged this. So if they put the material in they sent me, you won't need to duplicate.

The other matter I would just like to bring to your attention is, I find a good many of my people in Colorado are interested in the Marketing Research Service and especially as to the inspection and grading of fresh fruits and vegetables.

Now, we have in Colorado one of the very best fresh fruit and vegetable laws of any State in the Union; it stands at the top. But we are afraid we will not have any more funds from the Federal Government to keep the work going. In other words, the State will have to supply all the funds. I notice this letter from the Department and they say it is not in the budget and the reason it is not in the budget, they had other places they wanted to use their money and that several of the products that we are now checking very carefully and grading and checking for other purposes has been done by a tax on the food and the goods themselves, but in a State like Colorado, we have a tough time to do that.

Mr. MARSHALL. If I understood you correctly, I believe you mentioned marketing inspection.

Mr. HILL. Yes, sir; I have not suggested funds on that. I wanted to mention it so when you come to that topic you will keep it in mind. Mr. Horan might have something on that. He has vegetable and fruit inspection, too, and the Federal Government should participate.

Mr. HORAN. We put that item back last year.

Mr. HILL. It is not in this year so I hope you put it back in.

Thank you. I hope you succeed. If you need help on the floor, I will be more than glad to help you.

Mr. MARSHALL. You have always been very helpful to us on the floor, Congressman Hill. I remember many such occasions in the past.

## SCHOOL LUNCH PROGRAM

### WITNESS

### HON. OTTO KRUEGER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH DAKOTA

Mr. MARSHALL. The committee will come to order.

At this time we are pleased to hear from Congressman Otto Kreuger from North Dakota.

Mr. Krueger, I believe you are going to speak on the school lunch program.

Mr. KRUEGER. Mr. Chairman and members of the committee, I appreciate the opportunity to appear before you in support of the school lunch program. Many folks in North Dakota have written me in regard to this program. The plan has been so generally accepted, and has worked out so well, that I would dislike to see any serious disruption of the program. The contribution to the health and general welfare of the millions of boys and girls is difficult to truly estimate.

The share of local participation is an indication of the value the home districts place on this program. This year they will increase their participation some $32 million. School districts in my State are not throwing money away and if they did not think that this was a good thing for the youth of the Nation, they would really be backing away from it rather than wanting to have their students in the program.

With the proposed reduction in the section 6 funds, the question comes to my mind as to the possible effect on a balanced diet for the children. I notice that on the list of foodstuffs to be purchased under section 6, the only item which also appears on section 32 is dried beans. Dried beans, even in quantity, will not take the place of the section 6 products.

There seems to be too much at stake in this program to backtrack now. With more youngsters than ever in schools throughout the Nation, I would rcommend that the committee maintain or increase the school lunch funds on a basis that will insure a balanced diet for these boys and girls.

I would like to submit for your consideration this letter from Mrs. A. A. Gaustad, chairman of the School Lunch Committee of the North Dakoto Congress of Parents and Teachers, which goes into the need for this type of program:

This date nite letter was sent you as follows:

As State chairman of school lunch program for North Dakota Congress of Parents and Teachers with 40,000 members and our association sponsoring 128 hot-lunch programs I earnestly urge no reduction in funds and beg that section 6 covering canned fruits, canned vegetables, citrus products, and peanut butter be not eliminated. Letter following.

It is needless to write that we know you are 100 percent back of the welfare of children and to make any financial cut in any way from this program would certainly mean either children would not be able to pay the cost of a meal or would, of necessity, be compelled to carry a cold lunch because of the distance from the school. Unless we have the aid of the products such as those listed in section 6, it would be impossible to carry on the program. Many of our North Dakota teachers took the weight of the child when the program was started

in many schools last fall and it is certainly gratifying to know the gain made; and then, too, the teachers tell us that it is astounding that the child loses no interest during the day, or that there is no apparent lag after the noon hour as it used to be before the establishing of the program in the school.

A cut of $16 million in the school lunch appropriation is a serious question, and as I understand it, the wording of the bill is misleading. However, our authorities have studied the bill and feel that the appropriations should be largely increased rather than in any way decrease any part of it. In fact, as shown below we have many more partaking of this hot-lunch program this year than heretofore and there are many more schools making kitchen plans, etc., so another year we should have, and hope to have, many more enjoying the hot-lunch program.

Why is it that each biennial a stand has to be taken to protect the program? Well, I remember 2 years ago when I was serving as president of the Jamestown City Council of Parents and Teachers this same question of reducing came up, and at that time how very much we appreciate your assistance.

The justifications offered for this cut is the expectation that there will be enough surplus commodities distributed next year to offset the loss of section 6 commodities, and that the combined total of Federal cash payments and food donations will therefore approximately remain the same in 1956 as in 1955. Such reasoning, however, is unrealistic and misleading.

The facts about Department of Agriculture surplus commodity estimates are these:

1. In 1954, in its official budget request, the Department of Agriculture estimated that a total of $123 million worth of surplus commodities would be distributed to schools during that fiscal year. The amount actually distributed was $94 million. Thus, the Department of Agriculture's estimate proved to be 30 percent too high.

2. At the same time, the Department estimated that the value of surplus commodities to be distributed during 1955—the current fiscal year—would be $150 million. As school lunch sponsors everywhere know all too well, the distribution of surplus commodities this year is running behind last year. Instead of $150 million, the actual amount will undoubtedly be less than $90 million. This estimate of the Department is certain to be more than 60 percent too high.

3. The only surplus commodities the Department has on hand and can count on for next year are dairy products and fats and oils. The maximum amount of the commodities that the schools can use without waste is less than $50 million a year. What commodities, if any, will be available to these is pure conjecture, involving crops that have yet to be planted.

In view of the above facts, the claim that a cut of $16 million in the school lunch appropriation will not result in a reduction in total Federal aid for school lunches is open to serious question. Please think of the increase in the enrollment of the schools and the 45-percent increase in the program since June 1946. I certainly do not believe that surplus commodities, if any, could be used to offset the reduction.

I have many more details of this program on my desk and if you wish further information please wire and same will be sent you immediately.

Thanking you for the anticipated assistance and which I have ever confidence that we may expect, and with the deep appreciation of our total membership, I remain with kind regards,

Respectfully yours,

ANNABELLE GAUSTAD,

*Chairman Hot Lunch Program, North Dakota Congress of Parents and Teachers, Post Office Box 1051, 410 Second Street SE., Jamestown, N. Dak.*

Mr. MARSHALL. Congressman Krueger, we are very pleased with your statement in support of the school-lunch program.

Mr. NATCHER. I would like to join with you in thanking Congressman Krueger for this fine statement.

Mr. ANDERSON. Mr. Chairman, I would like to say this: I think Mr. Krueger is eminently correct in advocating the placing back into the bill the $15 million which was eliminated by the budget. We in this subcommittee have been looking over this entire problem

from a nationwide viewpoint, not only in relation to the school-lunch program but also the entire price-support system and whatnot and we have found, Mr. Krueger, that we are doing more in programs such as the school-lunch program than simply assisting schoolchildren of America. We are helping the general economy of America, especially the agricultural portion, by making an incentive to the various communities to purchase some of these products which might be in excess supply at a certain time. By so doing we are helping the general price level. But beyond all else, we are, as you say in your statement, giving to the schoolchildren of America a better balanced diet. I personally want to make it very clear to you that I am in as much disagreement as I was last year with the budget in bringing before the Congress the proposal to eliminate this particular $15 million.

Thank you for appearing today and emphasizing that point.

Mr. KRUEGER I might state here, Mr. Congressman, that I served on a school board for 18 years before coming here in a small town of less than 1,000 population. Most of our children came from the surrounding countryside. How valuable a good, hot lunch is for these schoolchildren especially in the wintertime. You know the winters sometimes are quite severe in North Dakota. For that reason, I dislike to see any curtailment in appropriations in this particular program.

Mr. ANDERSON. As you have well mentioned, the scope of this program from the viewpoint of the contributions of the States and the communities is gradually rising and rising. I think that is due to the fact that right out of this subcommittee room, even before the law was authorized, this subcommittee saw fit, over the years, to take a rather generous viewpoint on the question of Federal contribution toward the school-lunch program. Through the years, we have set that program at about the $83,500,000 level. We have thought that that was a fairly decent level at which to keep the Federal contribution. As a consequence, we have found, Mr. Krueger, that that incentive has created more and more interest throughout America until something like half a billion dollars is expended by the various communities in this great program. I again want to thank you for your consistent help in this work.

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MONDAY, MARCH 7, 1955.

## SOIL CONSERVATION, PEST CONTROL, AND SCHOOL LUNCH PROGRAMS

### WITNESS

### HON. CLEVELAND M. BAILEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. MARSHALL. The committee will please come to order.

We are very pleased to have before us Congressman Bailey from West Virginia, who has served his district well over the years and has been interested in many of the problems coming before this committee. I might say he has been a stalwart supporter of many of the views of this committee.

Mr. ANDERSEN. Mr. Chairman, I want to pay a little tribute to Mr. Bailey. I don't recall very many Congressmen who have seen fit through the years to come before this subcommittee and give us of their advice and counsel as often as Mr. Bailey has. He has shown his interest through the years in the various problems facing our subcommittee. I appreciate your coming as you do, Mr. Bailey.

Mr. MARSHALL. It is always a bit of a conundrum to me how Mr. Bailey finds the time to do all the things he does in a day. There are so many things in which he is interested in his district. Certainly, the district has a hard worker in Congressman Bailey.

Mr. BAILEY. Thank you, gentlemen.

May I say, Mr. Chairman, my purpose in appearing today is a dual one: (1) To protest the reduction in appropriation for Soil Conservation in the several States; and (2), to commend your committee for restoring the $15 million item of reduction in grants for the hot-lunch school program which I feel sure it is your intention to do.

On page 368 of the 1956 budget document you will find an item under the caption "Assistance to Soil Conservation Districts and Other Cooperators," the 1955 budget item is $57,568,579 and the same item in the 1956 estimates is $55,696,200. This is a loss of $1,800,000. Applied to my State of West Virginia this means a reduction of $30,000.

The situation in my State is well presented in a letter I have just received from Mr. J. T. Johnson of Parkersburg, W. Va., who is legislative representative for the soil conservation district in my State. May I read it to you?

About a year and a half ago the Secretary of Agriculture, in a reorganization of the Soil Conservation Service, eliminated the regional offices. A loud protest went up across the Nation against this action which was led mainly by soil conservation districts. This protest was made because we felt that it would weaken the Department's assistance to soil conservation districts which it has been rendering so effectively for many years. We were told, at that time, that rather than to weaken assistance to districts, it would have the effect of strengthening it by bringing it closer to the State level.

We knew then that the cue to the full intent of Federal assistance to locally operated soil conservation districts would be to watch the appropriations made available to the Soil Conservation Service for assisting districts. For that reason, people everywhere who are concerned about the conservation of our soil and water are keeping an eagle's eye on appropriations which are made available to the Soil Conservation Service. This year, the administration is recommending a budget which represents a reduction in appropriation to the Soil Conservation Service for assisting soil conservation districts in the amount of $1,800,000. This would mean a reduction in our State of at least $25,000 or $30,000.

In a recent survey made by district supervisors it was estimated that we need the services of at least from 14 to 18 additional technicians in the State to assume our responsibilities to our 31,000 farmers who are now cooperating with local districts in West Virginia. Since nearly all appropriations to the Soil Conservation Service are for technical assistance, it does not seem possible to employ 14 more technicians with $30,000 less money.

As chairman of the legislative committee of the West Virginia Soil Conservation District Supervisors Association and representing these 31,000 cooperators who are interested in carrying out a complete conservation program on their farms through their districts, I am asking you to do all you can to increase, rather than permit a decrease in the appropriations to the Soil Conservation Service for rendering technical assistance to soil conservation districts.

I realize this letter is lengthy, but it is important that you understand that this program of soil conservation districts now blankets the entire State with the exception of 2 magisterial districts in 1 county. It has a tremendous in-

fluence on the income of our rural population. At long last, through the assistance of the soil conservation districts, farmers are now obtaining the practical help that we really want and vitally need to assist us; not only to conserve soil and water for future generations, but likewise to make our farms presently profitable.

It is plain from the contents of Mr. Johnson's letter that this program goes into practically every community in our State. From the 31,000 farmers represented in the program, it is readily apparent that this is a basic community activity that needs to be fostered rather than curtailed.

Only last year, the soil districts in my State cosponsored the new pilot demonstration project to show the possibilities in upstream improvement. Two similar projects of this kind are being added this year, and are being, at least partially, financed by funds of the adjacent soil districts. This attempt to cut the Federal share will make it impossible for the districts to take part in other upstream projects in the future.

I succeeded in getting 1 of the first 50 pilot plants and it is pretty well completed, the construction is. One of the cosponsors is the soil conservation districts of West Virginia.

Mr. ANDERSEN. You feel, Mr. Bailey, it will be very worthwhile?

Mr. BAILEY. It will be worthwhile but if you cut the Federal appropriation it cuts their ability to help finance these upstream projects as they develop throughout the United States. You just are simply taking money away to help cosponsor those projects.

Mr. ANDERSEN. I am sure there is no reason to think that this subcommittee will do anything but provide sufficient technical assistance for not only the watershed protection program, Mr. Bailey, but also for the new districts which come into being this year.

Mr. MARSHALL. We might say that we wish that the Department of Agriculture and the Bureau of the Budget had been more realistic in their approach to this problem.

Mr. BAILEY. They could not possibly have the first-hand information they would need to make a proper budget for these things.

Mr. ANDERSEN. That is correct.

Mr. BAILEY. It might be well at this time to call attention to the effort of the budget makers to cut down Federal aid in the fight against the gypsy moth, a new program and initiated by the Agriculture Department. In this connection, I want to call your attention to a letter I have received from Waldo Craig, State entomologist for West Virginia. He says:

Congress is now considering the appropriations for 1956. The President's budget for the crops regulatory programs and for plant quarantines is only slightly less than was appropriated for 1955. As you will recall Congress had to increase the appropriations for these two items over the recommendations of the President in 1955 in order to allow these essential activities of the Federal Government to continue. The States are very grateful to the President and the Department of Agriculture for recommending such a substantial figure for the 1956 appropriations but I think it is generally recognized that it was the efforts of Congress that convinced those preparing the budget that adequate appropriations for these activities were demanded by the people.

Appropriations for such items as Japanese beetle control, barberry eradication and plant quarantines, which are of special interest to this State, are the same as were appropriated in 1955. These activities can probably manage on the sums recommended to be appropriated. There is, however, another item in the budget, the appropriation for gypsy moth control, that is way below what is felt adequate to keep that insect under control.

While we do not, to the best of our knowledge, have gypsy moth in this State, we are very much interested in this project and hope the insect can be kept out of our State.

At a recent meeting of the regional coordinating committee on gypsy moth control, Council of State Governments, held in Boston, the problem of the gypsy moth was discussed and, as an outcome, it was recommended that the Federal Government appropriate $1,350,000 for gypsy-moth control. This is more than twice as much as was recommended in the President's budget.

A recent survey made by foresters and lumbermen of this State estimated that around $19 million worth of oak timber is sold in this State every year. The gypsy moth is a very serious pest of oaks. We do not feel that we can afford to let this insect get into West Virginia. Last year 100 traps were operated in the northern part of the State but no gypsy moths were caught.

We do not know that this insect occurs in the State. There have been several colonies of this insect eradicated in Pennsylvania and New Jersey. Now a colony has been discovered in Michigan and that State has applied every known method of eradication. It looks as though the States are doing all anyone could ask them to do. We cannot expect to ask New York and the New England States to carry the burden of protecting the rest of the States in the Eastern United States. We must have an adequate Federal appropriation if we expect to keep this insect out of West Virginia.

During the past year an outbreak of the European chafer was found in Hampshire County, W. Va. The Federal Government will soon conduct a hearing on whether or not a Federal quarantine will be established over the States of New York, Connecticut, and West Virginia where this insect is known to occur. It is going to be necessary that this State attempt to eradicate this colony of European chafer.

We have other problems, such as oak wilt, for which we are being asked to expend sums of money and effort. We are making an effort to handle these problems and have asked our legislature for quite an increase in appropriations for plant pest control work. We believe we will be successful in having more funds to work with next year. Regardless though of how much increase is made by the States, we cannot handle these problems without continuing Federal support.

In checking items of the 1955 budget and the 1956 estimates in the insect-pest categories, I find they are pretty much the same. I shall not urge additional funds.

Now, Mr. Chairman, on pages 379 and 380, you will find the budget item for the school-lunch program. The 1955 budget was $83,266,197. In 1956 it is $68 million. The proposed reduction is $15 million.

The item, Mr. Chairman, has been stabilized at around $83 million in the budgets for the past several years. I recall that your committee upped this item in the 1955 budget to this established level. Your action was approved by the House. Similar action by your committee on the 1956 estimates for this item will, I am sure, receive wholehearted support from my colleagues in the 84th Congress.

As an example of how a well-managed program is carried on, I want to insert in the records of your committee, at this point, a letter from our West Virginia director addressed to the national directors of the American Parents Committee with headquarters here in Washington.

I am not going to read Miss Bonar's rather lengthy letter because she goes into all of the details of the management of the program in West Virginia, but I want to call your attention to one thing, gentlemen, and the whole story is contained here.

I said a minute ago that the appropriation for the hot-lunch program has been stabilized at around $83 million for the last 8 years. Miss Bonar in making this report reports for the school year 1947–48 in comparison with the school year 1953–54. In considering these figures that I am going to give you now, remember that this Federal

appropriation has been permanent around $83 million in both the periods of 1947–48 and 1953–54. Look at the growth of this program. Miss Bonar says:

Even though our Federal appropriation should continue at $83,236,197 you can see how thinly it has to be distributed when I compare figures from our biannual report of 1947–48 with that of our 1953–54 report—

| | 1947–48 | 1953–54 |
|---|---|---|
| Number of schools participating | 1,278 | 1,478 |
| Number of meals served | 13,406,002 | 21,394,925 |
| Number of free meals served | 2,215,750 | 3,334,503 |
| Average daily participation | 86,828 | 123,862 |
| Total expenditure | $3,097,484.35 | $5,149,117.77 |
| Amount paid by children | $1,782,611.87 | $3,551,219.87 |

The reason I am calling your attention to these figures is to show you that there has been a tremendous growth in these programs throughout the several States particularly in my State, but the Federal Government's appropriation has remained stationary through all these years at around $83 million.

Instead of the thought of reducing the program, they ought to think of upping the Federal program because of the greater number of pupils who are participating in the program. Let me read further from the letter:

Those figures are for last year—you can imagine what this year's figures are going to look like when I tell you, for December of this year we had an average daily participation of 143,474 children, or almost 20,000 more children per day than we had last year.

Let me add for the information of the committee that this situation in West Virginia is probably abnormal in that we have a tremendous amount of unemployment there particularly in our mine fields.

The possibility is that the only real solid meal that thousands of children in the coalfield areas of West Virginia are getting today will be this hot lunch. Their parents are out of employment. They have used up all of their unemployment compensation and they are objects of charity.

I have a figure here which I would like to get into the record at this point. You are furnishing free Government goods to 155,058 schoolchildren. You are furnishing those Federal foods in West Virginia to 11,731 people in the State institutions. The overall participation of people in West Virginia receiving Federal surplus foods is 213,184 persons. That is in addition to these schoolchildren and in addition to the inmates of the institutions that are getting the food. So you do have an abnormal situation in West Virginia.

There is going to be a tremendous demand on the hot lunch program because there is no other way in which they will be able to stay in school. Therefore, it would be silly, gentlemen, to even think about trying to pare that Federal appropriation for the hot lunch program.

Mr. ANDERSEN. I do not see where we can spend money to better effect than in this program, do you?

Mr. BAILEY. That is correct.

Let me call attention to the fact that if that meal is any good it must be well-balanced. In other words, it is prepared by dietitians.

Your surplus food will not furnish you a well-balanced meal. It is necessary that you purchase some other things to go along with the surplus Federal foods in order to make it a well-balanced meal. That is where the harm would come because they propose to cut the cash item of $15 million and the result would be that they would curtail the purchase of any other articles to go along with the surplus foods to make it a well-balanced meal.

Giving you $15 million more of surplus foods would not do it because it would simply serve to unbalance the meal.

I have one more letter to read here which I would like to have included in the record with Miss Bonar's letter.

Mr. MARSHALL. The letters will be incorporated at this point.

(The documents referred to above follow:)

STATE OF WEST VIRGINIA,
DEPARTMENT OF EDUCATION,
*Charleston, February 14, 1955.*

MRS. ADA BARNETT STOUGH,
*Executive Director, the American Parents Committee, Inc.,*
*Washington, D. C.*

DEAR MRS. STOUGH: I had been planning to get some letters off to the Congressmen this week about our program, so your letter and questions came at a good time.

The information given is not confidential and I believe would be the general belief of the folks in West Virginia most interested in the lunch program.

Question. What are the prices generally charged for lunches? What is your rate of reimbursement per type A lunch?

Answer. The maximum price that may be paid is 25 cents. I suspect the average would be between 20–25 cents.

Rate of reimbursement is on a graduated scale according to number of participants in school: Schools from 1 to 50, 6½–4½ cents; schools from 51 to 100, 6–4 cents; schools from 101 up, 5½–3½ cents.

The 6½ cents is for type A lunch with milk and 4½ cents is for type A lunch without milk. The without-milk meals are served only where approved milk is not available. You know the maximum rate is 9 cents, so some are getting little over 50 percent.

Question. Do your lunchroom managers consider section 6 foods of value to the school-lunch program? If not, why? If so, why?

Answer. Yes; we consider section 6 foods of value because (*a*) children throughout the country need more vitamin C than they receive at home. (*b*) Vitamin C is too expensive and too difficult to purchase for many of our schools away from markets. (*c*) They are accepted very well in school lunches. Canned fruits and vegetables are very necessary for an adequate diet and a diet that is colorful and interesting; additional proteins furnished in peanut butter are very acceptable to practically all children.

Question. How would the withdrawal of $15 million worth of section 6 foods affect the program in your State?

Answer. With the continued number of children participating and no increase in Federal funds we need these section 6 foods along with the donated commodities we receive each year to keep our meals up to standard. If the $15 million were cut off it would mean less adequate meals, fewer free meals, and some schools closing, because our lunch programs have to be self-supporting. It is fine to say local support should carry it but when the State budget has an $8 million deficit in a small State to start with and a desperate effort being exerted to keep our teachers' salaries in 35th place in the Nation it is heresy to think we can get more tax money for school lunch.

Question. Has the special school milk program affected your school lunch program? Is it likely to affect it during the coming year? If so, how?

Answer. Not to any appreciable degree, in lessening of lunches, on local level. We have tried to safeguard the lunch by having milk served at some other time than at lunch.

In West Virginia we have only four assistant State supervisors and they have had to neglect their work of training cooks and visiting lunchrooms to promote

and start the special milk program, for as you remember, the special milk program was put in our laps in September with no additional money for administration. We have carried the program along with just two additional clerks to take care of the program, so you see our school lunch had to suffer as far as supervision is concerned, this is just as true on county basis.

Question. Will the expenditure of $50 million of Federal funds to stimulate consumption of milk offset the loss of $15 million worth of section 6 foods?

Answer. No; as I see it there is no connection.

Question. What is your reaction to bills which have been introduced to combine the special milk program with the national school lunch program? Why?

Answer. I have two reactions:

(*a*) Fine, if it could be set up so that we could have just 1 account and 1 set of reports. This would be quite a saving on local and State level as far as reports and records are concerned.

(*b*) Also good, if they would say a flat 3 cents for each one-half pint or such a matter for all milk used and then our lunch money not cut. On that we really could have a good nutritional program.

(*c*) But no, if the $50 million for milk is going to weaken the support of our lunch program by making it difficult to even keep the ground we have gained in the past several years. We feel we have made real headway in having school lunch a real substantial part of the school program, and we don't want our children's health and education jeopardized by pressure groups who have something to sell, regardless of how good it is.

These statements given in budget are just very thinly veiled excuses. Last year they said we should cut the budget $15 million because we were going to get more commodities and we didn't. What will they think of next?

Even though our Federal appropriation should continue at $83,236,197 you can see how thinly it has to be distributed when I compare figures from our biannual report of 1947–48 with that of our 1953–54 report:

| | 1947–48 | 1953–54 |
|---|---|---|
| Number of schools participating | 1,278 | 1,478 |
| Number of meals served | 13,406,002 | 21,394,925 |
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| Amount paid by children | $1,782,611.87 | $3,551,219.87 |

Those figures are for last year. You can imagine what this year's figures are going to look like when I tell you for December of this year we had an average daily participation of 143,474 children, or almost 20,000 more children per day than we had last year.

If you need any further information of any kind I will be glad to send it to you if at all possible.

I had hoped to see you when you were home last year. Better luck next year.

Sincerely,

MARTHA BONAR,
*State Director, School Lunch.*

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STATE DEPARTMENT OF PUBLIC ASSISTANCE,
*Charleston, W. Va., March 2, 1955.*

Mr. ROBERT F. ROTH,
*Director, State Department of Public Assistance,*
*State Capitol Building, Charleston, W. Va.*

DEAR MR. ROTH: The following is a list of commodities distributed in the month of December 1954, to the following categories:

School-lunch program, 155,058 children
Institutions, 11,731 persons
Welfare, 213,184 persons

Very truly yours,

WILLIAM WAGGY,
*State Supervisor, Division of Commodity Distribution.*

Mr. BAILEY. This letter has to do with the school lunch program from Robert T. Crawford, superintendent of schools of Lewis County, W. Va.

DEAR CONGRESSMAN BAILEY: The budget request of the Secretary of Agriculture reducing the school-lunch appropriation for 1956 to $68 million would be a serious blow to West Virginia schools. State and local funds are inadequate to overcome the loss.

The school-lunch service has had a rapid growth and has become one of the most popular and valuable features of the public-school program. To curtail or eliminate the lunch service would seriously cripple the school system, would deprive many children of their best meal of the day, and would arouse enormous public disapproval. With the limited means of raising school funds that are available to West Virginia boards of education it would seem next to impossible to maintain a satisfactory lunch program unless at the expense of other essential services. Reduction of the Federal lunch budget below the present $84 million would be extremely perilous for the program.

The contention of the Department of Agriculture that increasing stores of surplus commodities would be distributed to overcome the decrease in Federal funds available seems to be entirely too optimistic. The Department has a record of overestimating the value of the surplus commodities it can distribute. We appeal for your support to restore the proposed reduction that the school-lunch program may continue unimpaired.

Very respectfully,

LEWIS COUNTY SCHOOLS,
ROBERT T. CRAWFORD,
*Superintendent.*

Gentlemen, in conclusion may I say to you that, while I get pleasure out of coming to talk to you, I sometimes feel that it ought not to be necessary to have to come so often. West Virginia does not happen to have a representative on the Agriculture Committee and, since I am the dean of the delegation, it has fallen to my lot over the years to go to bat for them. I keep it up. I check the budget to see if there are items in there that would be harmful to the Federal programs in my State and try to get them before your committee in the hope that they can be corrected if it is within the power of the committee to correct them.

Again let me say that I thank you for this opportunity and I am going to thank you in advance for the restoration of this $15 million. I want your committee to have the credit for doing it because if you do not do it we will do it out on the floor.

Mr. MARSHALL. Congressman Bailey, we thank you for appearing before this committee with a well-organized statement. We have always looked upon you as a man who is very interested in the people of not only West Virginia but of the entire country. We are always pleased to have you appear before this committee.

Mr. BAILEY. I thank the gentleman from Minnesota, and may I say to you that as a former school principal and school superintendent, I feel deeply about the welfare of our boys and girls. In fact, I think they are our greatest asset. Next to that, I would place 5 or 6 inches or a foot of good top soil and next to that I would place water.

I would like to file a statement for my colleague, Congressman Staggers of West Virginia. He is very interested in these same matters, but is unable to appear here today.

Mr. MARSHALL. Thank you, Mr. Bailey.

STATEMENT OF HON. HARLEY O. STAGGERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

We will insert in the record at this point a statement with respect to the soil conservation program.

(The statement is as follows:)

SOIL CONSERVATION PROGRAM

In another 20 to 25 years increased population will require 30 to 40 percent more food and fiber in this country. This increased food and fiber will have to be produced on roughly the present acreage of cropland. Although some new lands may be brought into cultivation by clearing and irrigation they will be offset by the retirement of marginal lands now under cultivation.

If we are to have a continually rising standard of living, food production must increase even more than population increases. Increased conservation activities also are needed for other reasons that to protect our future food supply. Utilizing the watershed approach authorized by the Watershed Protection and Flood Prevention Act passed in the last session of Congress we should be able to make real progress in flood prevention. With adequate financial support for this new program we should be able to reduce the annual loss of life and property as well as the great amount of human suffering which results from floods each year. We also should look on conservation of the soil and water as a part of our defense effort. The industrial part of our economy is in a constant state of readiness to shift into munitions and related defense production on a moment's notice. Similarly, agriculture should keep its plant in top notch shape and be ready to undertake expanded production of food and fiber on short notice. There is probably no other activity going on in rural areas today from which all citizens in the country get so much benefit as from the soil and water conservation activities of our local, State and, National conservation agencies.

Soil conservation statisticians report that only 22 percent of the total operating units in the organized soil conservation districts have been planned for soil and water conservation. The present rate of applying conservation practices to the land amounts to nearly 3 percent per year of the total job in the Nation. At our present rate of progress it is about a 33-year program. Farmers would like to have the program speeded up. They are ready to move ahead faster with the conservation jobs but are being held up by inability to get the needed technical assistance.

If we could increase the technical assistance to the districts it should be relatively easy to increase the rate of application of conservation practices to 4 or 5 percent annually. We could and should make it a 20-year instead of a 33-year program.

Technical assistance to watershed groups is also proving to be wholly inadequate in view of the great interest in watershed flood prevention programs. By the first of November, governors of 37 States had provided administrative machinery for carrying out the States responsibility in reviewing and approving applications for Federal assistance from local organizations. These State agencies, as early as November 1, 1954, had approved 155 applications for assistance on specific watersheds and forwarded them to Washington.

Probably 500 to 1,000 local watershed associations will complete plans requesting Federal assistance during the first 12 months of operation of the Watershed Protection and Flood Prevention Act. In January the first 25 applications were approved by the Secretary of Agriculture. The $7 million included in the President's budget for this activity in the next fiscal year is wholly inadequate in view of the great interest shown in the past few months.

I am appearing before you today to ask for substantial increases in the appropriations for both the technical assistance furnished local soil conservation districts and the assistance given local watershed associations under the Watershed Protection and Flood Prevention Act.

## MARKETING NEWS SERVICE

### WITNESS

### HON. B. F. SISK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. MARSHALL. We are pleased to have before our committee this afternoon, Congressman Sisk of California. Congressman, do you have a statement which you wish to present to this committee?

Mr. SISK. Mr. Chairman, I have a short prepared statement which I will read.

Mr. MARSHALL. Proceed with your statement.

Mr. SISK. Mr. Chairman and gentlemen, I am very glad to appear before your committee today to support Congressman Harlan Hagen's request for appropriation of $14,000 as the Federal share of the cost of establishing and operating an office of the Federal-State marketing news service at Visalia, Calif., which is in the district ably represented by him.

I am taking a particular interest in this matter because the proposed office in Visalia would provide marketing reports on livestock sales and would serve not only that city, but the entire San Joaquin Valley of California, with its major livestock industry extending into my district as well, and I have received many requests for this service from points in my district as far north as Madera and Merced, over a hundred miles from Visalia. I should say, also, that this appropriation is strongly urged by the California Cattlemen's Association, a statewide organization, which indicates the primary importance of the Visalia market in providing an adequate picture of western livestock marketing operation.

I understand that for obvious reasons connected with administrative policy, the Department of Agriculture has not asked for this appropriation, but that it feels the proposed office would provide a very worthwhile service to a large segment of the livestock industry.

I would like to direct your attention to the fact that the State of California extends for almost a thousand miles in a northerly and southerly direction, and that the livestock marketing news service is now attempting to report on marketing operations over a major share of this area from a single office in Stockton, Calif., which is about 200 miles north of Visalia. I understand a market reporter from Stockton now drives to Visalia and spends 1 day a week there. On other days he attempts to cover markets in northern California and on other days goes as far south as the Imperial Valley area. This means that feed-lot sales, sales direct from ranchers, and other important data are reported incompletely or not at all.

I am sure it is obvious to the committee that continued attempts to carry on a marketing news service upon which ranchers and the industry depend under the current plan of operations is impractical and false economy. Actually, the traveling costs involved are almost as great as those incident to operating the Visalia office, and the results are a pretty poor imitation of public service.

Undoubtedly, your committee will have facts and figures showing the importance of the livestock industry in the area which would

be served by this office. I will not take up your time to repeat them, but I would like to emphasize that this is one of the major industries of the richest agricultural region of the Nation, that thousands of citizens are directly concerned with the raising and marketing of livestock and that their welfare and the millions of dollars invested in the industry in central California is directly affected by current, continuous, and adequate reports on marketing operations in Visalia.

I would like to urge your favorable consideration of Congressman Hagen's request, so that an important public service may be rendered at a minimum cost.

Mr. MARSHALL. Congressman Sisk, Congressman Hagen appeared before this committee and informed us that you and he were jointly interested in this particular matter.

We thank you for your statement. We have been much impressed with your industry as a Member of Congress and we appreciate your appearing before this committee at this time.

The committee did discuss this with the Department of Agriculture people and they have informed us that they see a need because of the increased marketing in that area and that they feel that it is a matter that does require some attention.

Mr. SISK. Thank you, Mr. Chairman. I appreciate the opportunity of making the statement.

Mr. MARSHALL. Thank you.

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MONDAY, MARCH 7, 1955.

## SCHOOL-LUNCH PROGRAM

### WITNESS

### HON. ROBERT C. BYRD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. MARSHALL. We are pleased to have before this committee Congressman Byrd, from West Virginia.

Congressman, you may proceed with your statement.

Mr. BYRD. Mr. Chairman and members of the committee, I am grateful for this opportunity to express my opposition to the proposed reduction in appropriations for the school lunch program. Budget recommendations, if followed, would mean a reduction of approximately $15 million worth of section 6 foods, and such action would seriously affect the school-lunch program in my State. With an increasing number of children participating we need these section 6 foods along with the donated commodities received each year to keep our children's meals up to standard. If the $15 million were cut off, it would mean less adequate meals, fewer free meals, and the closing of several schools.

Section 6 foods are of value to the school-lunch program because children throughout the country need more vitamin C than they receive at home. Canned fruits and vegetables are very necessary for an adequate and well-balanced diet, a diet that is delectable, interesting, and colorful. Peanut butter is accepted and enjoyed by practically all children, and this product supplies the additional proteins needed by youngsters.

An increasing number of meals are being served under this program in West Virginia, and this might be expected as a result of any normal population growth. Even though our Federal appropriations should continue at $83,236,197, one can see how thinly it has to be distributed when figures from the biennial report of 1947–48 are compared with those of the 1953–54 report.

| | 1947–48 | 1953–54 |
|---|---|---|
| Number of schools participating | 1,278 | 1,478 |
| Number of meals served | 13,406,002 | 21,394,925 |
| Number of free meals served | 2,215,750 | 3,334,503 |
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| Amount paid by children | $1,782,611.87 | $3,551,219.87 |

West Virginia's population, however, is not increasing. Rather, it has been decreasing over the past several months as a result of conditions in the coal industry which have seriously and adversely affected the State's economy. Notwithstanding the fact that there has been a decrease in population, there is an accelerated increase in school lunches served. In December of 1954, we had an average daily participation of 143,474 children, or almost 20,000 more children per day than we had last year.

Gentlemen, these facts are enough to convince anyone that it would be a serious mistake to curtail this humanitarian program. Many children never receive a well-balanced and appetizing meal other than that which is provided under the school-lunch program. Over 225,000 people in West Virginia are dependent upon surplus food commodities at the present time. In such a distressed area, anyone who is willing to look a fact in the eye can see that children are being deprived of adequate diets in the home, and must depend upon meals such as those served at school for additional fruits and vegetables so necessary to proper health and growth.

Gentlemen, if this Government must retrench and curtail its spending, let it not be miserly in a program like this, a program which, in my opinion, is one of the best ever to be devised.

A nation's wealth is not to be found only in natural resources; its greatest wealth is in its human resources, its people, and these must be healthy in mind and in body if America is to be strong. Let us not be pennywise and poundfoolish in our attempts to economize.

I am in favor of economizing wherever and whenever it is practicably possible to do so, but I submit that funds for the school-lunch program cannot be and should not be cut in the name of economy.

I urge you, therefore, as members of this committee, not to sustain the reduction that has been recommended. I beseech and implore you to restore the amount to the extent that it will equal or surpass the figure within which the States are presently operating. The health and welfare of children cannot be measured in dollars and cents, and the strength of this Nation lies not in its gold and silver, but in its boys and girls, the men and women of the future.

Mr. MARSHALL. We thank you for your statement and appreciate your appearing before this committee at this time.

HOG CHOLERA VACCINES

Mr. MARSHALL. At this point we will incorporate in the record the letter to the chairman of this subcommittee from a committee consisting of George Cloys, of Tennessee, and Guy H. Williams, of Nebraska.

(The letter is as follows:)

FEBRUARY 24, 1955.

*To the Honorable Subcommittee on Agricultural Appropriations, House of Representatives, 84th Congress, Hon. Jamie L. Whitten, Chairman.*

GENTLEMEN: The undersigned is a committee, representing producers and distributors of anti-hog-cholera serum, hog-cholera virus, and modified live-virus-hog-cholera vaccines used in the immunization of swine against hog cholera. There are approximately 32 establishments and companies producing serum and virus, of which number approximately 8 produce hog-cholera vaccines. There are approximately 300 distributors of these products located throughout the United States. All of said producers and distributors are subject to the marketing agreement and order pursuant to act of Congress, Public 320, approved August 24, 1935. Likewise, all producers are subject to the Serum, Virus Toxin Act of 1913, under which inspection is provided and required for the production and distribution of such products in interstate commerce.

The inspection of serum-virus establishments has been in effect since 1913 but hog-cholera vaccines of the modified live-virus type came into use in 1951, following discoveries that certain strains of hog-cholera virus could be attenuated (modified) by serial passage through rabbits. This modification resulted in reduction of the virulence factor of the virus but did not alter the antigenic, or immunizing property of the virus. Of these vaccines some are recommended for use with anti-hog-cholera serums while others may be used with or without serum in the discretion of the operator.

Thus, today hogs are immunized against cholera by the serum-virus method or by serum and vaccine or by vaccine alone. Approximately 50 million pigs are annually protected against cholera, of which number about 25 million are protected by vaccines of the types mentioned above. In addition, it may be noted that certain States (Tennessee, Alabama, Wyoming) have prohibited the use of virulent virus, thus compelling hog raisers to depend on the quality of the vaccines for adequate protection against cholera.

Vaccines are produced in establishments separate and apart from establishments which produce serum and virus. This is necessary to prevent the intermingling of virulent virus with the modified or attenuated strains. Vaccine establishments must be kept entirely free of and unexposed to virulent virus. For these reasons, plant employees producing serum and virus are not transferred to a vaccine establishment. Similarly, inspectors cannot be readily alternated between virus and vaccine establishments in day-to-day operations.

Under the altered conditions which have arisen pursuant to the discovery and nature of hog-cholera vaccines, ample and complete inspection for the newer products and recently constructed laboratories cannot be provided by the Department of Agriculture with funds now available to it. It is the belief of the undersigned committee that this matter should receive the consideration of the Committee on Agricultural Appropriations and that appropriate action be taken to provide full and ample supervision and inspection for all products used in hog-cholera control to the end that the hog industry be adequately protected.

Committee:

GEORGE CLOYS,
*Distributor, Union City, Tenn.*
GUY H. WILLIAMS,
*President, Corn States Laboratories Producer, Omaha, Nebr.*

Above committee acts for and in behalf of control agency, an administrative body appointed under the approved marketing agreement and order.

HUMAN NUTRITION AND HOME ECONOMICS RESEARCH

Mr. MARSHALL. Also the committee will be pleased to incorporate into its record at this point a letter to Congressman Whitten, chairman

of this committee, from Carolyn Plucknett, vice chairman, Potomac Home Economics Homemakers Association.

(The letter referred to follows:)

ALEXANDRIA, VA., *February 16, 1955.*

Hon. JAMIE WHITTEN,
*Chairman, Agriculture Appropriations Committee,*
*Washington, D. C.*

DEAR MR. WHITTEN: As chairman of the committee hearing the request for the appropriation for human nutrition and home economics research, we urge that you conscientiously consider the great need for this work and recommend the amount of the full appropriation.

Our group of homemakers is one of over a hundred such groups of professionally trained home economists affiliated with the American Home Economics Association. The community's demands for our services in home and family living are heavy. Our chief source of authentic current information on foods, fibers, housing, and household equipment is derived from research done and published by the Human Nutrition and Home Economics Branch of our Government's Agricultural Department.

We feel that the strength of our great country is found in the health and happiness of individuals making up the family unit, which is America's greatest and strongest forte. We hope that you and the members of your committee provide for the continuance and increase of this very vital work for the home and family life.

We appeal to you, please recommend that the full request for the appropriation be granted to carry on the work for human nutrition and home economics research.

Respectfully yours,

CAROLYN PLUCKNETT,
*Vice Chairman, Potomac Home Economics Homemakers.*

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MARCH 7, 1955.

## APPROPRIATIONS FOR FARM PROGRAMS

### WITNESS

### HON. ARTHUR WINSTEAD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. MARSHALL. We shall be glad to hear next from one of our colleagues from Chairman Whitten's State, Mr. Winstead.

Mr. WINSTEAD. I appreciate the opportunity to appear here in behalf of agriculture and the fine Americans who are engaged in farming as a means of livelihood. I have supported the agriculture program since I have been a Member of the Congress since I firmly believe the welfare of our agriculture program is basic to the national economy.

With regard to the present budget, I certainly hope you will restore the $15 million which the budget has cut the school-lunch program. This cut is in funds which can be used to provide a balanced lunch. May I tell you that the ability to buy what it takes to round out a balanced meal will add to the use of surplus commodities. May I also point out that the United States is helping nearly every country in the world with the exception of Communist countries and yet this administration would cut our own school-lunch program, which so greatly helps our own people.

I believe you should restore funds so the new soil conservation districts can be staffed without taking personnel away from existing

districts. This service is doing a good job and we need to utilize these services. I urge that sufficient funds be provided to enable this program to go forward with personnel sufficient to serve the people as in the past.

I hope you will provide ample funds for the Rural Electrification Administration. Existing associations need additional funds to firm up existing lines. I need not remind you of what this program means to rural people. However, the use has been so great and so far beyond all expectations that we now need more money to help meet the load. Of course, the Government is repaid, with interest.

Funds for power generation should be made available to the point of at least securing proper contacts for REA and where necessary such loans should be approved.

I note you have increases recommended for extension and State experiment stations. I believe this to be sound—even if you must exceed the budget. This work is sound and brings great dividends.

I deplore the present situation on farm prices and farm costs. I know you will do your best to help with these problems. We need to keep the American farmers farming. While we must protect prices, we must sell what our farmers produce for the good of all. I feel you folks believe as I do but I want the record to show that you have the support of other Members of the Congress.

Mr. MARSHALL. We certainly appreciate your interest in the work of this committee and in the farm program. Thank you for your support.

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MARCH 7, 1955.

## POULTRY AND EGG INSPECTION

### WITNESS

### HON. BURR P. HARRISON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. MARSHALL. We will be happy to hear Congressman Harrison, from Virginia, at this time. Proceed as you wish, please.

Mr. HARRISON. Mr. Chairman, I appreciate this opportunity to make known to this distinguished subcommittee the particular interest of the Virginia poultry industry in adequate appropriations for the poultry and egg inspection and grading services of the Department of Agriculture.

My congressional district, encompassing the Shenandoah Valley and adjacent areas, is one of the great poultry-producing regions of the Nation. I believe it is recognized that the poultrymen of Virginia have made an outstanding record in recent years with respect to modern production methods and quality of product.

This progress has been accomplished in the face of many obstacles which have operated against a stable, year-to-year prosperity in the industry. Despite this, our poultrymen are proud of the fact that they have managed to exist without price-support subsidies.

A number of the producers and processors who have been endeavoring to cooperate toward a reasonable and effective poultry and egg inspection and grading system have complained to me, however, that

such a program cannot be accomplished without additional personnel. By and large, Virginia poultrymen are conservative and realistic in fiscal matters. They are as deeply interested as you are, Mr. Chairman, and as I am, in restoring our Federal Government to a sound budgetary basis through the elimination of wasteful practices and unnecessary services.

Because I know Virginia poultrymen, therefore, I am impressed by their plea for sufficient funds to make a poultry and egg inspection and grading service workable and to obviate inefficiency and slowdowns, through lack of sufficient inspection and grading personnel, which cost real money to the cooperating plants.

As a major processor put it to me:

> With the present depressed condition and the disastrous year that the poultry and egg industry experienced last year, the processors of these products are in no position to stand any increased cost in merchandising the farmers' products.
>
> If you will recall, last year the Senate allowed $200,000 for this work which was finally cut to $100,000 in the House. This amount did not in any way come close to covering the cost.
>
> I would like to remind you that the meat industry, which is also subject to inspection on a mandatory basis, has all of the cost borne from public funds. We would also like to remind you that the poultry-and-egg industry is one industry which has received no help from subsidies or supports from the Government—a fact of which we are proud. It is only because of a dire necessity that we urge your most serious consideration toward the inclusion of an adequate appropriation in this year's budget.

I am confident that the good judgment of the distinguished members of this subcommittee will result in a reasonable, adequate allotment for these services of the Department of Agriculture, which are in the public interest.

Mr. MARSHALL. Thank you for such a fine statement, Mr. Harrison. It is always our pleasure to have you appear before this committee.

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MARCH 8, 1955.

INSPECTION SERVICE

**WITNESS**

**HON. CHESTER E. MERROW, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW HAMPSHIRE**

Mr. MARSHALL. The committee will come to order.

We have before us our distinguished colleague from New Hampshire, Congressman Merrow, who is rendering outstanding service for his district.

Do you have a statement you wish to present to this committee, Mr. Merrow?

Mr. MERROW. Yes, Mr. Chairman. If I may I would just like to say that I appreciate the opportunity you have given me to appear before the subcommittee to ask for the restoration of funds for the inspection service on dairy and poultry products. The appropriation last year was $196,500 to defray the administrative cost of egg grading and poultry inspection, and in the proposed budget this figure has been reduced by $100,000 or over 50 percent.

I hope the committee will give favorable consideration to the restoration of this $100,000. There are many people in my State that are interested in this industry, as New Hampshire is a poultry State, and I think that it is important throughout the Nation that these funds be restored, and with your permission I leave this statement for the committee.

Mr. MARSHALL. The statement will be placed in the record at this point.

(The statement is as follows:)

Mr. Chairman, I appreciate the opportunity that you have given me to appear before your subcommittee to ask for the restoration of funds for the inspection service on dairy and poultry products.

Last year the Congress appropriated $196,500 to defray the administrative cost of egg grading and poultry inspection. In the proposed budget for fiscal 1956 this figure has been reduced by $100,000, or over 50 percent. I appear here today, Mr. Chairman, to ask that favorable consideration be given by the committee to the restoration of the $100,000. The poultry industry is exceedingly important to the State of New Hampshire, as well as to the Nation, and great interest and concern have been expressed by poultry and egg producers on this item.

I am conviced that the appropriation for the inspection service on dairy and poultry products should be restored to $196,500 for the folowing reasons:

Even at the present time inspection fees are high. The proposed $100,000 cut in the appropriation would result in sending them even higher. Increased prices resulting from increased fees would, without a doubt, tend to keep many shippers from utilizing the inspection service.

The inspection service on dairy and poultry products was instituted for the purpose of encouraging good shipping and marketing methods. A decrease in the use of this service would undoubtedly mean that consumers could no longer be assured of buying the quality products they obtained when the inspection service was being fully utilized.

As one of my constituents, Mr. Robert A. Jasper, manager of the Jasper Poultry Farms, Hudson, N. H., stated: "It is my belief that discontinuance of Federal financial support for this operation will result in the most objectionable 'dumping' traffic, and will serve only to sustain and broaden the distrust felt abroad for our efforts to market our superabundant food supplies outside this country.

"There must be safer ways to economy than by neglecting the enforcement of this country's high standards of quality for foodstuffs in general and for poultry and eggs in particular."

Mr. Chairman, in my opinion, the budgetary recommendation of the heavy cut of $100,000 in funds for the inspection service on dairy and poultry products would seriously impair its effectiveness and would be detrimental to the industries. I hope that the $100,000 will be restored.

Mr. MARSHALL. We are very pleased that you took the time to come before this committee and call our attention to this important item. We of course know your work in the Congress and we know that your district is well represented.

Mr. NATCHER. Thank you for coming.

Mr. ANDERSEN. I, too, appreciate your coming before us. You have always shown great interest in agricultural problems.

Mr. MERROW. You gentlemen have been very, very gracious and I know that you will give this matter good consideration. It is quite important to us.

Mr. MARSHALL. Thank you for coming.

BEE RESEARCH

WITNESSES

CLARENCE L. BENSON, CHAIRMAN, THE AMERICAN BEEKEEPING FEDERATION

ALAN ROOT, BEE INDUSTRIES OF AMERICA; SUPPLY MANUFACTURERS

N. C. JENSEN, MEMBER, AMERICAN BEE BREEDERS ASSOCIATION AND HONEY INDUSTRY COUNCIL OF AMERICA; COMMERCIAL BEE AND QUEEN PRODUCER

ROBERT B. WILLSON, CHAIRMAN, HONEY INDUSTRY COUNCIL OF AMERICA

HENRY A. SCHAEFER, PRESIDENT, THE AMERICAN BEEKEEPERS FEDERATION

ROBERT BANKER, SECRETARY-TREASURER, THE AMERICAN BEEKEEPING FEDERATION

Mr. MARSHALL. The committee will come to order.

It is a privilege to have before us a group from the research committee of the American Beekeeping Federation, of which Mr. Clarence Benson is chairman.

Mr. Benson, we are happy to have your group here. Will you proceed in any manner you wish. I think for the benefit of the people with you that you might state their names and their connection with your organization.

Mr. BENSON. I will begin here on my right. We have with us Alan Root, of Medina, Ohio, from the Bee Industries of America who are supply manufacturers; Mr. N. C. Jensen, of Macon, Miss., who is principally in the business of producing queens and honey bees for sale to other beekeepers and is a member of the American Bee Breeders Association and Honey Industry Council of America; and we have Mr. Robert B. Willson, of New York City, chairman of the Honey Industry Council of America, who handles bulk honey; and on my left is Mrs. Benson, my wife; Henry A. Schaefer, of Osseo, Wis., president of the American Beekeepers Federation; and Mr. Robert Banker, secretary-treasurer of the American Beekeeping Federation.

Do you wish us to handle this presentation in any special manner? If so, we will be glad to do so.

Mr. MARSHALL. We will be glad for you to proceed as you wish.

Mr. BENSON. Then I have a statement that I would like to make. After I finish this statement, if it is permissible we would like for the other members of our group to elaborate on some of these matters I will bring up.

The following statement is submitted by the research committee of the American Beekeeping Federation, Inc. This committee, in addition to being a federation committee, has representatives from the following organizations: The Honey Industry Council of America, the National Honey Packers & Dealers Association, the American Bee Breeders Association, and the Bee Industries' Association.

We request that additional funds be made available for research on these items: (1) Pollination, (2) honey house and beekeeping equipment, and (3) honey.

I. POLLINATION

The Nation's farmers sustain an annual loss of untold millions of dollars due to inadequately pollinated crops. Research indicates that such losses are not necessarily inevitable in the future provided additional research on pollination is undertaken. As an instance, a few years ago authorities on the subject debated the value of bees for alfalfa-seed production. In 1946 a comprehensive research project was set up in Utah to study alfalfa-seed production.

In 1946 a comprehensive research project was set up in Utah to study alfalfa-seed production. Those studies showed that honey bees were necessary as pollinators to produce a profitable alfalfa-seed crop. The State of California, applying these research findings, was able to triple the acreage devoted to seed alfalfa and double their production. Consequently, California now produces about one-third of the Nation's alfalfa seed.

Incidentally, there was a $6½ million increase in the annual income of alfalfa-seed growers in California directly attributable to the use of the honeybee pollination.

Research on cantaloup pollination in Arizona in 1950 showed that honeybees were absoutely essential for the production of melons. When bees were excluded from the vines, no fruit was set. A subsequent survey by United States Department of Agriculture personnel in 1953 showed that where growers had bees placed in sufficient numbers (approximately 1 colony to 2 acres) in or adjacent to their melon plantings, the average crop was increased more than 50 percent over fields where growers left the matter of pollination to chance.

For the farmers of my own State of Arizona, this means an income from melon production of $16,937,000 for 1954. The production of this crop is absolutely dependent on honeybees.

Research on almonds, apples, peaches, plums, and other deciduous fruits has indicated that without honeybees for cross-pollination, the production of these crops would be unprofitable.

It has been assumed that bees were of no benefit in the production of citrus. Recent research in Arizona indicates that by using bees for the cross-pollination of tangerines, production was greatly increased, the fruit had a much higher sugar content and was of better quality.

This research definitely indicates that interplanting of other varieties and supplying bees to the tangerine groves will increase production and eliminate much dry and unpalatable fruit. That is quite a problem in the tangerine areas where they didn't know the reason for their fruit being dry until they tried pollination in some areas.

Preliminary studies relative to cotton pollination indicate that bees may significantly improve the quality of upland cotton, and the production of S1 may be increased as much as 35 percent by proper utilization of bees. S1 is an American-Egyptian long-staple cotton.

Actually what happens when bees are used for pollination in upland or short staple cotton is that a much greater percentage of the crop is set early in the season before bad weather sets in, thus greatly increasing the quality.

In 1954 the first field experiment in the use of bees for the production of hybrid cotton was conducted in Arizona. Using bees for cross-pollination is considered the only practical method for producing

hybrid cottonseed, the only other possible method being hand pollination of the individual blossoms. This was a cooperative experiment with several individuals and governmental agencies participating. Preliminary observations indicate this experiment may be successful. It may well be that this will revolutionize the production of cotton.

Hybrid cotton can very well mean as much to the cottongrower as hybrid corn to the growers of corn. A small amount of research has been conducted for a number of years at Knoxville, Tenn., where they have produced an experimental crop of hybrid cotton that was 40 percent higher in production than either of the parents. As far as the hybrid experiment in Arizona is concerned, we will not know the results until another year passes. However, although not part of the experiment, something occurred which was very interesting. I supplied approximately 700 colonies of bees to be used in this experiment. These were placed around the 10-acre plot planted for the hybrid experiment. Adjacent to this plot and extending several miles in each direction was about 700 acres of American-Egyptian S–1. The field next to this extremely heavy concentration of bees produced 2.01 bales of cotton per acre. Two fields a mile or more from this heavy concentration of bees produced only 1.66 and 1.60 bales of cotton per acre. The increase where adequate pollination occurred was approximately one-half bale per acre. These figures were supplied to us by the J. G. Boswell Co., a large cotton-growing and finance company who cooperated in the hybrid experiment.

Although pollination is as essential to many crops as the very soil in which the crop is grown, very meager attention has been given to this subject by the United States Department of Agriculture. As far as the majority of crops are concerned on which bees are beneficial or necessary, little has been done to ascertain how best to use them. We understand, for instance, that at the present time, the United States Department of Agriculture is working on pollination problems of alfalfa, cotton, and citrus. With the limited personnel now devoted to pollination studies by the Department, it is impossible for them to do any research on the approximately 50 other crops for which bees are recommended. Also excluded from attention are some crops on which there is no available information such as safflower, castorbeans, sorghums, and other grasses. If bees are necessary on these crops for maximum production, then their pollination should not be left to the incidental visitation of bees foraging for nectar and pollen.

Many problems now confront the beekeeper. Bees are frequently destroyed by insecticides. Annually hundreds of thousands of colonies of bees are severely damaged or killed by improper application of insecticides. Many times a farmer in an attempt to control injurious insects will also destroy the honeybees which he needs for pollination, resulting in a crop failure for himself and a complete loss of crop and severely damaged or killed colonies of bees for the beekeeper. Additional studies should be undertaken relative to alleviating or eliminating this problem.

Bee diseases are always a problem to the beekeeping industry. American foul brood, European foul brood, and Nosema are the ones causing the beekeepers the greatest loss. Expanded work on these diseases is greatly needed.

II. HONEY HOUSE AND BEEKEEPING EQUIPMENT

Our beehives are only slightly modified versions of 19th-century ideas and inventions. Much of the equipment now in use was originated before commercial beekeeping came into existence and was therefore designed for use by the small beekeeper. Relatively little machinery is used in beekeeping, and that which is available is not entirely efficient.

Consequently, practically all of the work involved in pollination and the production of honey requires excessive hand labor. Although many labor-saving devices have been developed for industrial and agricultural purposes, none are suitable in their present form for honey production, loading and unloading beehives, or the many other necessary manipulations involved in beekeeping. It is altogether possible that our present beehives should be redesigned along with any equipment developed for mechanical aids for efficient handling. No engineering studies of a comprehensive scope have ever been undertaken relative to this matter. Such studies should appreciably lessen the hand labor involved in apiary management, honey production, and pollination.

III. HONEY

Even though the profitable production of a great many of our crops is dependent on honeybees, it is the exception rather than the rule for a beekeeper to receive payment for the pollination service rendered by his bees. In some specialized areas where a high concentration of bees per acre is desired, colonies are rented for the period of time necessary to pollinate the crop. Such instances occur in the production of some deciduous fruits, cantaloups, alfalfa seed, and a few other crops. To a great extent, however, the beekeeper is dependent on a crop of honey and beeswax for his livelihood.

In the case of my own operations, we do receive a rental fee of $5 per hive when we supply bees to the cantaloup growers. This is due to the fact that there is absolutely no honey produced from melons when bees are supplied in great enough quantities to do a pollinating job for the grower.

Mr. NATCHER. Mr. Benson, what size colony is used?

Mr. BENSON. For pollinization purposes in the West we have it pretty much standardized on a square inch of brood, speaking of the honeybee, and for rough purposes we would say 6 columns and ordinarily in a pollination hive we would have 10 columns to the 2-inch box and in 2 boxes 20 columns, and then we must have 6 columns of brood. We must develop hives larger at times but those are our pollination hives in the West.

Mr. NATCHER. What I had in mind, you mentioned cantaloups and then you talked of colonies. Now then you lease colonies on a rental basis, is that correct?

Mr. BENSON. Yes; the word beehive is used rather loosely.

Mr. NATCHER. I was just wondering if the two are synonymous.

Mr. BENSON. Yes.

Mr. NATCHER. Just a matter of information, Mr. Chairman. Thank you.

Mr. BENSON. Prices of honey since World War II have been maintained by export subsidies and price support. Prices have been main-

tained at a low level to discourage honey production so no great surpluses would be created. Such policies are actually contrary to the best interests of agricultural production. Present honey prices are not sufficient to maintain a healthy industry. The total colony population in the United States has decreased from 5,916,000 in 1947 to an estimated 5,452,000 in 1954. This is a loss of approximately 60,000 colonies per year during the last 8 years. Beekeeping should be encouraged and an actual expansion in the numbers of colonies would greatly benefit those crops needing insect pollination.

A very slight increase in consumption of honey above the approximate 1.5 pounds per capita would have a most beneficial effect on the industry. Any authentic information relative to the value of honey in the diet that could be conveyed to the general public would be of great value. Biochemical assays and nutritional studies of honeys produced from some of our more important floral sources should contribute information invaluable for honey promotion.

Comprehensive studies of the items above mentioned should contribute greatly to the stability and prosperity of the beekeeping industry. Such in turn should also contribute immeasurably to our entire agricultural economy through adequate pollination and a consequent increased production of many agricultural crops.

With these statements in mind and as will be further substantiated by the other gentlemen we have here, we request that the following sums be considered for research by the United States Department of Agriculture:

For pollination studies: $100,000;

For honey house and beekeeping equipment: $50,000;

And for research on honey itself: $50,000.

That concludes my statement.

Mr. MARSHALL. You have presented an excellent statement to this committee, Mr. Benson. You may call on the other members of your group, if you wish.

Mr. BENSON. I will next call on Alan Root.

Mr. ROOT. I am a member of the Honey Industry Council of America and am 1 of 2 representatives from the Bee Industries Association, a group of supply manufacturers.

We make the beehives and equipment that these gentlemen use.

Despite the great need of increased bee population in this country the trend has been in the other direction. Mechanization in other industries has made them more attractive and profitable as an occupation. In 1900, for instance, we had 4 million colonies of bees. Today, 55 years later, we have approximately 5½ million colonies. That is an increase of only about 37 percent in 55 years, whereas in this same period our population has more than doubled from 76 million to better than 163 million, I believe. We feel that it should have grown with the country.

As one approach to overcoming this problem we feel that improved equipment for both the beehive and handling equipment is needed. Existing development on the part of the manufacturers of beekeeping equipment has not done a great deal to bring this needed change. New companies are not attracted to the field because of the low potential sales volume. This same low sales prevents existing companies in the field from risking much money on new development, yet improvement is needed if the industry is to progress.

As an example, the flavor of honey at the present time is the main selling point that we have for honey, yet the delicate flavor oils are very easily destroyed by heat, but all liquid honey must be heated to prevent crystallization or granulation and, in some cases to destroy the yeast that causes fermentation. Nothing would improve the use of honey by the public more than the development of a process of pasteurization that did not damage the delicate flavor.

I feel very keenly on that subject, that our flavor is the most important thing that we have to sell. Some preliminary work has been done with supersonic sound and shortwave electronic devices, and to forth. These methods hold some promise of results. Further work should be undertaken along this line, or at least to learn more about the use of heat in handling honey.

Existing facilities in industry have not been able to solve these important problems to date and it seems to be a little beyond us.

Work along engineering lines may seem remote to this problem of increasing plant pollination, but it is our opinion that this is one of the steps needed to bring about this result.

That concludes my statement. Thank you very much.

Mr. MARSHALL. What results have you had from the special spreads that have been developed through the experimental stations?

Mr. ROOT. You mean on the use of the honey?

Mr. MARSHALL. In the eastern laboratory.

Mr. ROOT. Possibly I am not the best one qualified to answer that question. I would be glad to make an attempt on it, however. I think perhaps Mr. Wilson when he comes to his report could probably cover that to a better degree because my own experience has not been along that line particularly in the honey end of it.

The creamed honey which is the process that was developed at Cornell University has been quite popular in this country, if that is what you are referring to.

Mr. MARSHALL. This committee has visited the eastern laboratory in Philadelphia we were shown some of the work that they were doing in developing spreads for honey, and we wondered what use the bee industry was making of that information.

Mr. ROOT. Well, I think I would like to defer the answer to that question to one of the gentlemen that are closer to that, either Mr. Benson or Mr. Wilson, if that is agreeable with you.

Mr. BENSON. Mr. Chairman, would you care to have Mr. Wilson handle that now or later?

Mr. MARSHALL. Perhaps when Mr. Willson gets to his statement, we might discuss it.

Mr. BENSON. Well, then, suppose we have Mr. Willson present his statement next.

Mr. MARSHALL. That would be all right.

Mr. WILLSON. I am Robert B. Willson of the Honey Industry Council of America and a member of the board of directors in the National Honey Packers and Dealers Association. Mr. Chairman, I would like to say that the first job I had in getting out of World War I was that of sending specialists to Mississippi State College.

The council consists of 9 men elected to serve on the council, 4 from the American Beekeeping Federation, 1 from the American Bee Breeders Association, making 5 beekeepers who are the majority, and 2 members from the Bee Industries of America, who are supply manu-

facturers and 2 members who are from the National Honey Packers and Dealers Association of which I am one.

The function of the Honey Industry Council is advisory, to lend counsel to our industry, to raise funds, and to endorse those projects we think are for the good of all beekeeping.

We endorse without reservation the program for research in beekeeping read by Mr. Clarence Benson.

As a dealer in honey, I wish to assure this committee that the granting of funds for research in honey-house equipment can be of enormous value and benefit to beekeepers. At present probably not 10 percent of the commercial crop of honey comes to market ready for use. The baker's flour and shortening come ready for use, so does the candymaker's sugar and chocolate, but honey from the beekeeper is usually indifferently strained or crystallized, or both. Standardized honey-house equipment within his reach to process his honey so as to make it clean and liquid will automatically increase his outlets and his price.

A word about needed research on honey itself. We know honey is an excellent food. However, we don't know many of the reasons why, for example, honey is an excellent food for athletes as well as invalids, why it is so healing on severe burns, why it is so effective as an antiseptic in surgery. We believe the penetrating light of research will reveal many things to us that will expand our markets, improve the incomes of our beekeepers and restore them to a level more in keeping with mid-20th century standards of living.

We respectfully ask your thoughtful consideration and final approval of our whole program.

Mr. MARSHALL. We are glad to have your statement, Mr. Willson.

Mr. BENSON. Did you want Mr. Willson to answer that question?

Mr. MARSHALL. Yes.

Mr. WILLSON. I can report on two of the things that I know about, Mr. Marshall. First of all I would like to talk about the peanut-butter field. An effort has been made many times by food manufacturers to combine honey and peanut butter. We know that it is a delicious combination but no one has ever been able to work out the matter of putting these two products together so that they would stand up properly. They pack it in such a way that it gets hard and it becomes almost impossible to spread after a few weeks. The research laboratory is about to bear fruit in its job in that they found that in order to combine the two, that the moisture content of the honey had to be reduced to 9 percent, which is quite an operation; but in the meantime 2 men working separately, food-concentrate people of New Jersey, are drying honey, and water can readily be added to the amount of 9 percent by the time it gets to a certain peanut manufacturer in Philadelphia, so that now this matter of the excess moisture in honey which seems to produce sort of a concrete combination has been overcome, and I would like to see, Mr. Marshall, in a few months, a combination of honey and peanut butter that will be a direct result of that experiment done there.

In respect to the other spreads, the combination of honey and fruits, I do not have, unfortunately, a cheerful report to give on that. I think it was an excellent thing for them to have done because the combination of raspberries and honey and blackberries and honey and orange and honey is not only a delicious product but it is an eye-appealing product; but somehow or other despite the fact that Brad-

shaw in the West and the Superior Honey Co. in Los Angeles and an outfit in New York went into the thing, sales were not good and perhaps we might have to conclude, as we have found out with other combinations in the past, that the American public seems to like to have their honey pure. They all take it crystallized in the form of honey butter and take it in a jar and have clover honey or blossom honey, and it doesn't seem to be an easy matter to buy honey in combination.

I don't know if that is the correct answer, but that is the best answer I can give you.

Mr. MARSHALL. We have a restaurant in St. Paul, Minn., that makes a specialty of serving biscuits with a spread made of butter and honey. That certainly got a lot of local attention and stepped up the consumption of both butter and honey. They served it in a generous quantity, and it certainly does make a wonderful spread.

Mr. WILLSON. Yes, that is a product which was worked on very hard for a long number of years by Downey's Honey-Butter of Ithaca, N. Y., and they are coming along fine, but their business is still quite small. It isn't something that is taking the country by storm.

Mr. ROOT. Also there is the Superior Honey Co. and possibly some other companies that have gone into that combination.

Mr. BENSON. Mr. Schaefer, will you make your statement, please?

Mr. SCHAEFER. Mr. Chairman and members of the committee, I am Henry A. Schaefer, of Osseo, Wis., president of the American Beekeepers Federation, Inc., the national association of beekeepers. I own and operate 1,000 to 1,200 colonies of bees, selling both honey and pollination services. I own a 175-acre farm.

Because the bee industry is not now represented on any of the present United States Department of Agriculture research advisory committees, we are appearing here today.

The low financial condition of the beekeepers is not local, it is nationwide. Sons are not following their fathers in the bee business, because of the competition of higher wages outside.

As stated by Mr. Benson, a very small percent of the beekeepers' income is derived directly in cash from the sale of pollination services. The main remuneration for pollinating the neighbors' crops is received indirectly by the honey sold.

Subsidized sugar is honey's main competitor in the market. The current Federal appropriation for sugar subsidy is between 55 and 65 million dollars, the average rate being 70 cents per hundredweight for 9 billion pounds.

Our industry is not asking for a subsidy. We are asking for a comparatively small amount of funds for research to help place the bee industry on its own feet.

Thank you.

Mr. BENSON. Mr. Jensen will now present his statement.

Mr. JENSEN. Mr. Chairman and gentlemen, I am N. C. Jensen of Macon, Miss., member of the American Bee Breeders Association and also a member of the Honey Industry Council of America. I have been a commercial bee and queen producer for 40 years.

More research in bee breeding, better methods and techniques is sorely neded to improve existing strains and races of bees. Some scientific work on hybridization of pure stock has been done for some

time, but in the main these projects are being financed by individual groups within the industry and therefore on a far too limited scale, and thus the surface has scarcely been scratched in the general improvement of stock.

Research in diseases of bees is still of vital concern, and while recent studies and experiments with antibiotics give promise of results in treatment and cure of most bee and brood diseases, much more research should be done on medicants now in use to find others, and in some cases lowering of the cost so that they will come into more general use.

The relatively low income presently being derived from all phases of beekeeping is creating a lack of interest and a subsequent reduction in the number of colonies in operation. With no actual expansion in general apiculture during recent years due to the relatively low price of honey, many beekeepers, especially in the commercial field, are finding it most difficult to operate their outfits profitably. High labor costs plus lack of mechanical devices to offset hand labor are hindering progress that is not confined to honey producers only, but affects every branch of beekeeping and directly the production of bees and queens which unique and important phase is confined in large measure to the South because of certain seasonal and climatic advantages.

That is the reason I went south, because of the fact that it was specializing in the production of queen bees, and then I got more experience in California.

But restriction of beekeeping, whatever the causes, does not stop within the beekeeping industry, but reaches over into other fields wherein bees are beneficial as pollinators, especially the production of legume seed, many other field crops, and fruits and vegetables. In many sections of this country there is an actual shortage of bee colonies to do an effective job of pollination.

In my own State of Mississippi, a number of former large-scale commercial apiaries have either reduced their operations or gone out of business, finding more lucrative returns in other pursuits or industries. There is this optimistic outlook, however, and that is publicity during recent years on bees and their value to agriculture through the printed page, radio, and now television. State College at Starkville, Miss., is reputed to have the largest beekeeping class of any college in this country. Stockraising and diversified farming are coming to the front fast, and both depend to a large extent on clovers and other legumes. Through education and observation of work done by bees in other States, more and more farmers are becoming bee conscious.

However, a greatly expanded research program in all phases of apiculture is necessary, but certainly most urgently so in the three fields of (1) pollination, (2) honey house and keekeeping equipment, and (3) honey. These are basics on which evolves the rest. While pollination may be classified as sectional to a degree, the others affect the whole industry.

Finally, many, perhaps most, southern beekeepers are still dependent on the success and prosperity of the northern honey producer for the sale of his package bees and queens.

The relatively low income from honey production, the great amount of hard work involved is forcing many of the oldtimers into premature retirement, and in some cases there is little inducement for sons,

or young men taking up beekeeping as a profession or life vocation, and there has been considerable change in the trend of beekeeping in the South because of the unprofitable production of bees and honey. In the North the sale of a package of bees has been greatly curtailed which is working very serious hardship on the southern beekeepers who have thousands of dollars invested in equipment especially adapted to the packaging of bees and queens.

That is all I have.

Mr. MARSHALL. Thank you, Mr. Jensen.

Mr. BENSON. Now we have Mr. Robert Banker of the American Beekeeping Federation.

Mr. BANKER. Mr. Chairman, and members of the committee, I am the secretary-treasurer of the American Beekeeping Federation which represents beekeepers in 45 States. I also own and operate 400 colonies of bees in Minnesota.

Our membership is wholeheartedly in favor of the request for funds presented to your committee and urgently request your consideration.

Modern-day agriculture is practically entirely dependent on honey bees for pollination of more than 50 major food, seed, and fiber crops, but beekeepers must rely practically entirely on the sale of honey and beeswax for their income. Only in a few areas is it possible to receive payment of the pollination services the bees perform. A great deal of research needs to be done to improve this pollination service. The industry is not now in a position to provide the necessary funds for research due to the comparatively low market prevailing for honey. The industry feels that much can be done to alleviate this low market condition through research. At the present time we do not have a complete analysis of honey. Most people in the industry are quite confident that honey has some properties which make it much more than just a plain sugar and also that there are possibilities of discovering some unknown elements in honey that will develop a market for it for pharmaceutical uses such as the use of honey for burns and for heart trouble.

Our beehives, honey handling, and processing equipment, are practically the same as they were 50 years ago. Present-day equipment involves entirely too much hand labor and is unsatisfactory for the handling of bees and equipment and the processing and handling of honey. No research work has been done to determine the best methods of processing honey for a uniform high quality product. Younger men anticipating going into the bee business are discouraged by the lack of information available, the large amount of heavy manual labor involved and a low return on the investment required. As a result the number of colonies available to farmers for pollination has steadily declined for the past 8 years.

Serious losses are incurred by beekeepers through the application of insecticides and bee diseases. A large percentage of these losses could perhaps be eliminated through research.

It is my opinion that if the price of honey could be increased 1 cent a pound or production costs lowered 1 cent a pound through research, beekeepers alone would pay annually more than double the amount requested for research in additional income taxes. Farmers' income-tax payments would also be materially increased by the added income

derived from increased crops as evidenced by the $6½ million increase in alfalfa seed production attributed to bee pollination in California alone, as well as the very large increase in the chemical production in Arizona. And that concludes my statement, and I thank you.

Mr. ANDERSEN. You mentioned the price of honey. What is the price today at the level of the producer?

Mr. BANKER. Right at the present time our market is considerably higher than it has been. Perhaps the average price for white honey in Minnesota would be about 13½ cents.

Mr. ANDERSEN. You will recall that 3 or 4 years back I was personally responsible for securing for the Government honey for sale abroad and I have often wondered since then as to just what was the financial status of the honey industry. I haven't heard much from my district since that time on this price question.

Mr. BENSON. Well, it hasn't improved too much, but it has been improved some primarily through the price support program which has been the underlying stabilizing factor.

Mr. ANDERSON. Do you have any price supports beneath your production?

Mr. BENSON. Yes, we do.

Mr. ANDERSEN. What figure?

Mr. BENSON. This past year the figure was 11.4 in our area, on white honey.

Mr. ANDERSEN. What percentage of parity does that represent?

Mr. BENSON. I believe that was 70 percent.

Mr. ANDERSEN. In other words, parity is in the vicinity of 19 cents; is that it?

Mr. BENSON. Somewhere within that figure; yes.

Mr. MARSHALL. Mr. Deane?

Mr. DEANE. Do I understand, Mr. Benson, that you would ask for a increased proposal for your industry in the budget?

Mr. BENSON. Yes; that's right.

Mr. DEANE. I notice in the budget estimates that there was an approximate increase of some $27,000 in 1955 over 1954. Have you advised with the agencies concerning their projected plans—whether or not it is due to your conferences with them or due to this increase?

Mr. BENSON. No; we have had no discussion. Now that is for what sections, can you tell me, please?

Mr. DEANE. That is for beekeeping and insect pathology.

Mr. BENSON. It covers two items. I am under the impression that there is no increase there at all in beekeeping. I can't be positive on that, but I am sure that is the case. Insect pathology is an entirely different matter.

Mr. DEANE. In 1954 the amount was $235,830. What percentage of that would you say was directed directly towards your industry in beekeeping?

Mr. BENSON. I don't have those figures. We can supply you with them but we do not have those figures.

Mr. DEANE. Can any of you witnesses indicate the amount of funds that you think would be essential?

Mr. BENSON. Yes. It isn't on that prepared statement but I indicated $100,000 for pollination study. Now in pollination studies, that covers many things including bee disease; and $50,000 for

honey house and beekeeping equipment; and $50,000 for research on honey.

Mr. DEANE. One of you gentlemen testified as to the growth of the industry.

Mr. ROOT. Yes.

Mr. DEANE. Would you for the record indicate the areas of the country where probably the industry is more pronounced than others?

Mr. ROOT. I didn't mention that. You mean as to the number of beekeepers, for instance?

Mr. DEANE. Yes.

Mr. ROOT. Well, as far as quantity of beekeepers is concerned, probably east of the Mississippi River there are a larger number of beekeepers than in the West with the exception of California. California is our No. 1 beekeeping State, probably from the standpoint of the number of beekeepers and also from the standpoint of production. I am not certain about the numbers, but the State of Wisconsin is an important State with some 10,000 beekeepers. Ohio is a State with some 18,000 beekeepers. We have a registration law there so we can keep track of them. Some our our Western States—such as Minnesota has been in the past and I believe still is an important honey-producing State—but there your population centers are lower and they tend to larger beekeeping operations.

Mr. DEANE. I don't know, Mr. Chairman, what can be done for these people. The witnesses have certainly made a good record. We hope the Congress will take note of your statements. I certainly have learned something from your testimony, particularly concerning pollination.

I notice that you indicate that research on cantaloup pollination in Arizona in 1950 showed that honeybees are absolutely essential for the production of melons. I wonder, Mr. Benson, if you would elaborate on that statement keeping in mind this fact, that 1 or 2 of the counties in my district in North Carolina grow, I guess, as many melons and cantaloups as any other section in North Carolina. So far as I know these growers do not depend on bee pollination. I would be interested in having you elaborate on that subject, and point up your thought that when bees were excluded from the strains less fruit is produced.

Mr. BENSON. Well, fortunately, that experiment was conducted then about 20 miles of our home base and we became quite interested in it.

Mr. DEANE. Who conducted that experiment?

Mr. BENSON. That was conducted by the Bee Culture Division as it was then called, which is now known as the Bee Section of the USDA. Two men conducted that experiment, Mr. Frank Todd and Mr. S. C. McGregor. That is the first work they did in Arizona after the establishment of that laboratory in 1950. They did that in the spring and summer of 1950. The way they do those experiments to evaluate what value bees might be is simply to cage some areas, screen them, in other words, probably in columns 20 feet square. From some of those caged areas they will exclude bees entirely, and in other areas they will place bees at given intervals during the blossom period, and then other areas of the same size they will leave without cages. They

irrigated the areas by rows and the melons were planted in rows, with all rows headed down a slope. The cages just above there were best and as the irrigated water came down it floated a bee into this one area, and they would take a blossom as it appeared and compare the results. In this instance they got more melons with the bees and it was only partially pollinated.

Mr. DEANE. That same type of experiment of cours might be applicable to other types of fruit such as peaches?

Mr. BENSON. Yes, and they are experimenting with tangerines in Arizona; it is the same type of thing.

Mr. DEANE. I have located in my district the largest peach orchard in North Carolina. Is your organization selling this pollination idea?

Mr. BENSON. Relative to peaches I couldn't make a statement. Perhaps somebody on the committee could. In the apple areas of the west, in Washington, Oregon, for various fruits in California, they do pollinate with bees. Unfortunately very little research has been done on any of these citrus fruits, other than someone interested at a particular college who would try to find out the advantage in it, of course.

Mr. DEANE. I was coming to that question. To what extent do the colleges and universities go into these research projects we have been discussing? Of course, you know the different States appropriate a considerable amount of money, and the Federal Government likewise, and they more or less maybe choose the projects that they get into.

Mr. BENSON. Most of the States have been reluctant to undertake any of this research on their own and feel it is more of a national problem due to the fact that they have had no large requests for this sort of thing, and unfortunately the requests that have been made have been from the beekeepers in most instances. But in fact I understand that all of the Department of Agriculture laboratories are on a cooperative basis with the States in which they are located and the State does supply them with a great deal of facilities.

Mr. DEANE. I wonder if, for the record, Mr. Chairman, we could have inserted the national inventory showing where the industry is located so that we may have that for our studies.

Mr. MARSHALL. What specifically do you mean?

Mr. DEANE. I mean where the industry is located so that we could have an idea of where the industry is established. Certain States, for example, were mentioned.

Mr. MARSHALL. I believe you are thinking about production by States, bee production?

Mr. DEANE. That's right.

Mr. MARSHALL. We will insert the information at this point. Perhaps we can get it from the Agricultural Marketing Service.

(The information is as follows:)

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL MARKETING SERVICE,
CROP REPORTING BOARD,
*Washington, D. C., January 25, 1955.*

UNITED STATES HONEY AND BEESWAX PRODUCTION, 1954

Honey production in 1954 totaled 217,414,000 pounds, 3 percent less than in 1953, and the smallest crop since 1948. Honey production per colony was 39.8

pounds, compared with 40.6 pounds in 1953, 49.5 pounds in 1952 and the 1948–52 average of 42.8 pounds. In mid-December, producers had about 41 million pounds of honey on hand for sale—19 percent of total production. The 1954 honey crop was produced by 5,467,000 colonies of bees—1 percent less than in 1953. Beeswax production totaled 4,031,000 pounds, compared with 4,093,000 pounds in 1953, a decrease of 2 percent.

Compared with 1953, production was down in all regions of the country except the West and South Atlantic, where it was up 16 and 4 percent, respectively. Decreases from last year were as follows: North Atlantic, 23 percent; East North Central, 15; West North Central, 13; and South Central States, 8 percent.

The leading honey producing States in 1954 were California, Minnesota, Florida, Wisconsin, Iowa, Idaho, Texas, Ohio, Illinois, and Michigan. These States produced 59 percent of the crop.

The average honey production was 39.8 pounds per colony, compared with 40.6 pounds in 1953. Mainly because of the widespread drought, honey yields per colony this year were the lowest since 1948. Yields were down in all regions of the country except the West and South Atlantic. Yield per colony averaged 60.2 pounds in the West North Central, 60 in the West, 36.4 in the East North Central, 34.9 in the South Atlantic, 23.7 in the North Atlantic, and 19.7 pounds in the South Central States.

Estimated stocks of honey for sale by producers in mid-December totaled 41,056,000 pounds—19 percent of production. Stocks as a percent of production were: East North Central, 31 percent; West North Central, 24; North Atlantic, 21; South Atlantic, 15; South Central, 14; and West, 13 percent. Stocks of honey included 1,120,459 pounds under the Government farm storage loans and 705,750 pounds under Government purchase agreements.

Beekeepers received an average price of 17 cents per pound for all honey sold in 1954, including the combined wholesale and retail sales of extracted, chunk, and comb honey. This was about 3 percent higher than the combined average price for 1953 of 16.5 cents. These prices cover large and small apiaries owned by farmers and nonfarmers. Price increases were small but fairly general. Extracted honey in wholesale lots, the principal method of sale, brought an average price of 13.2 cents per pound, compared with 12.9 cents in 1953. Retail prices for extracted honey averaged 22.5 cents per pound, six-tenths of a cent more than in 1953. Prices received for chunk honey in wholesale lots averaged 25.1 cents, and at retail 31.9 cents per pound, both four-tenths of a cent higher than in 1953. Prices received for comb honey sold at wholesale in 1954 averaged 30.2 cents per pound, the same as a year earlier. Comb honey at retail brought 35 cents, one-half cent higher than in 1953. Prices received by beekeepers for beeswax increased in all areas during the year and averaged 44.1 cents per pound for sales in 1954, compared with 41 cents a year earlier.

## *Honey production*

[Thousand pounds]

| State and division | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 |
|---|---|---|---|---|---|---|
| Maine | 144 | 128 | 160 | 208 | 160 | 96 |
| New Hampshire | 150 | 130 | 150 | 180 | 105 | 60 |
| Vermont | 330 | 300 | 470 | 440 | 260 | 506 |
| Massachusetts | 420 | 558 | 589 | 522 | 480 | 465 |
| Rhode Island | 19 | 46 | 52 | 42 | 32 | 26 |
| Connecticut | 380 | 440 | 357 | 416 | 256 | 255 |
| New York | 10,074 | 9,030 | 11,286 | 11,825 | 8,979 | 6,188 |
| New Jersey | 1,178 | 936 | 868 | 736 | 961 | 768 |
| Pennsylvania | 6,080 | 4,656 | 6,480 | 5,643 | 3,979 | 3,360 |
| North Atlantic | 18,775 | 16,224 | 20,412 | 20,012 | 15,212 | 11,724 |
| Ohio | 9,760 | 11,507 | 12,390 | 6,622 | 8,428 | 6,936 |
| Indiana | 6,192 | 6,125 | 8,160 | 6,840 | 6,300 | 5,696 |
| Illinois | 5,376 | 7,728 | 7,515 | 7,849 | 5,084 | 7,052 |
| Michigan | 9,699 | 9,984 | 10,120 | 8,575 | 8,100 | 6,660 |
| Wisconsin | 12,675 | 12,025 | 14,550 | 15,908 | 15,600 | 10,812 |
| East North Central | 43,702 | 47,369 | 52,735 | 45,794 | 43,512 | 37,156 |
| Minnesota | 24,708 | 23,375 | 23,375 | 24,795 | 21,335 | 19,440 |
| Iowa | 17,974 | 17,302 | 10,890 | 17,072 | 14,091 | 10,360 |
| Missouri | 4,758 | 4,700 | 3,680 | 3,634 | 3,496 | 2,603 |
| North Dakota | 1,040 | 1,625 | 1,932 | 1,690 | 1,820 | 2,100 |
| South Dakota | 1,600 | 1,560 | 1,955 | 1,900 | 1,840 | 2,760 |
| Nebraska | 2,200 | 3,960 | 3,225 | 4,620 | 4,074 | 3,225 |
| Kansas | 2,394 | 2,684 | 1,680 | 1,650 | 1,530 | 1,344 |
| West North Central | 54,674 | 55,206 | 46,737 | 55,361 | 48,186 | 41,832 |
| Delaware | 90 | 75 | 90 | 66 | 90 | 90 |
| Maryland | 1,085 | 640 | 725 | 754 | 783 | 840 |
| Virginia | 3,171 | 3,021 | 4,553 | 4,228 | 3,066 | 4,004 |
| West Virginia | 2,541 | 2,159 | 2,460 | 2,413 | 2,108 | 2,196 |
| North Carolina | 2,457 | 2,775 | 6,426 | 5,292 | 3,820 | 5,018 |
| South Carolina | 708 | 660 | 986 | 928 | 672 | 826 |
| Georgia | 4,104 | 4,305 | 5,160 | 5,590 | 4,598 | 4,100 |
| Florida | 11,340 | 16,224 | 17,876 | 17,025 | 18,088 | 17,612 |
| South Atlantic | 25,496 | 29,859 | 38,276 | 36,296 | 33,225 | 34,686 |
| Kentucky | 2,296 | 2,366 | 3,040 | 2,145 | 1,022 | 2,085 |
| Tennessee | 2,864 | 1,991 | 4,676 | 3,507 | 3,268 | 1,870 |
| Alabama | 3,672 | 3,298 | 4,200 | 4,600 | 3,200 | 3,040 |
| Mississippi | 1,558 | 803 | 1,898 | 1,480 | 1,184 | 1,606 |
| Arkansas | 1,590 | 1,380 | 2,322 | 1,932 | 1,848 | 1,748 |
| Louisiana | 2,020 | 1,920 | 2,375 | 2,375 | 2,200 | 2,418 |
| Oklahoma | 1,972 | 1,624 | 1,568 | 1,620 | 954 | 1,050 |
| Texas | 13,373 | 15,850 | 9,424 | 10,944 | 9,636 | 7,560 |
| South Central | 29,345 | 29,232 | 29,503 | 28,603 | 23,312 | 21,377 |
| Montana | 3,596 | 3,720 | 5,200 | 5,146 | 6,030 | 5,780 |
| Idaho | 9,018 | 7,434 | 9,568 | 6,764 | 6,586 | 9,048 |
| Wyoming | 2,610 | 1,953 | 3,496 | 3,196 | 1,870 | 3,069 |
| Colorado | 4,380 | 3,796 | 4,760 | 5,695 | 6,030 | 3,808 |
| New Mexico | 1,000 | 950 | 510 | 560 | 560 | 525 |
| Arizona | 3,510 | 5,304 | 7,300 | 6,205 | 6,570 | 5,313 |
| Utah | 2,352 | 2,499 | 3,366 | 3,250 | 2,744 | 2,500 |
| Nevada | 686 | 754 | 896 | 825 | 855 | 980 |
| Washington | 3,358 | 4,028 | 4,836 | 4,100 | 4,042 | 4,300 |
| Oregon | 2,576 | 2,135 | 2,275 | 1,860 | 2,052 | 1,485 |
| California | 21,900 | 22,550 | 28,246 | 48,974 | 23,628 | 33,831 |
| Western | 54,986 | 55,123 | 70,453 | 86,575 | 60,967 | 70,639 |
| United States | 226,978 | 233,013 | 258,116 | 272,641 | 224,414 | 217,414 |

NOTE.—1953 revised; 1954 preliminary.

*Honey and beeswax: Value of production*

[Thousand dollars]

| State and division | Honey | | | | Beeswax | | | |
|---|---|---|---|---|---|---|---|---|
| | 1951 | 1952 | 1953 | 1954 | 1951 | 1952 | 1953 | 1954 |
| Maine | 55 | 72 | 57 | 34 | 2 | 1 | 1 | 1 |
| New Hampshire | 45 | 56 | 33 | 19 | 2 | 1 | 1 | 1 |
| Vermont | 125 | 120 | 74 | 147 | 4 | 3 | 1 | 4 |
| Massachusetts | 178 | 162 | 155 | 152 | 6 | 6 | 5 | 6 |
| Rhode Island | 16 | 13 | 10 | 8 | 1 | (1) | (1) | (1) |
| Connecticut | 111 | 127 | 81 | 83 | 4 | 5 | 3 | 2 |
| New York | 1,636 | 1,715 | 1,311 | 959 | 86 | 81 | 63 | 48 |
| New Jersey | 233 | 204 | 274 | 225 | 10 | 9 | 11 | 8 |
| Pennsylvania | 1,335 | 1,151 | 812 | 732 | 71 | 53 | 42 | 37 |
| North Atlantic | 3,734 | 3,620 | 2,807 | 2,359 | 186 | 159 | 127 | 107 |
| Ohio | 2,119 | 1,271 | 1,492 | 1,242 | 106 | 51 | 57 | 54 |
| Indiana | 1,640 | 1,320 | 1,279 | 1,168 | 83 | 65 | 48 | 54 |
| Illinois | 1,428 | 1,484 | 1,007 | 1,453 | 61 | 70 | 45 | 57 |
| Michigan | 1,417 | 1,269 | 1,215 | 1,072 | 92 | 62 | 53 | 57 |
| Wisconsin | 1,921 | 2,450 | 2,418 | 1,676 | 111 | 103 | 128 | 79 |
| East North Central | 8,525 | 7,794 | 7,411 | 6,611 | 453 | 351 | 331 | 301 |
| Minnesota | 2,898 | 3,521 | 3,072 | 2,819 | 228 | 196 | 170 | 162 |
| Iowa | 1,329 | 2,219 | 1,832 | 1,502 | 117 | 132 | 101 | 93 |
| Missouria | 677 | 708 | 706 | 518 | 42 | 28 | 22 | 23 |
| North Dakota | 220 | 210 | 229 | 281 | 22 | 14 | 13 | 18 |
| South Dakota | 252 | 262 | 258 | 395 | 21 | 17 | 18 | 21 |
| Nebraska | 452 | 633 | 546 | 432 | 30 | 34 | 30 | 25 |
| Kansas | 254 | 261 | 246 | 230 | 12 | 14 | 12 | 11 |
| West North Central | 6,082 | 7,814 | 6,889 | 6,177 | 472 | 435 | 366 | 353 |
| Delaware | 24 | 19 | 26 | 27 | 1 | (1) | 1 | 1 |
| Maryland | 186 | 196 | 206 | 220 | 7 | 7 | 5 | 6 |
| Virginia | 1,348 | 1,209 | 858 | 1,157 | 31 | 28 | 26 | 30 |
| West Virginia | 787 | 746 | 658 | 659 | 20 | 18 | 16 | 19 |
| North Carolina | 1,915 | 1,672 | 1,203 | 1,641 | 62 | 49 | 28 | 39 |
| South Carolina | 301 | 283 | 201 | 250 | 10 | 9 | 7 | 7 |
| Georgia | 1,213 | 1,297 | 1,099 | 955 | 61 | 39 | 46 | 38 |
| Florida | 2,842 | 2,707 | 3,057 | 3,135 | 140 | 120 | 124 | 127 |
| South Atlantic | 8,616 | 8,129 | 7,308 | 8,044 | 332 | 270 | 253 | 267 |
| Kentucky | 839 | 644 | 319 | 678 | 30 | 17 | 11 | 17 |
| Tennessee | 1,347 | 1,000 | 931 | 531 | 42 | 31 | 29 | 20 |
| Alabama | 1,033 | 1,122 | 797 | 763 | 48 | 34 | 28 | 22 |
| Mississippi | 448 | 334 | 268 | 381 | 14 | 12 | 9 | 12 |
| Arkansas | 450 | 369 | 362 | 371 | 18 | 13 | 14 | 14 |
| Louisiana | 316 | 347 | 341 | 394 | 22 | 19 | 15 | 20 |
| Oklahoma | 309 | 345 | 214 | 245 | 19 | 17 | 10 | 12 |
| Texas | 1,206 | 1,554 | 1,416 | 1,111 | 97 | 101 | 64 | 58 |
| South Central | 5,948 | 5,715 | 4,648 | 4,474 | 290 | 244 | 180 | 175 |
| Montana | 707 | 720 | 844 | 855 | 50 | 39 | 40 | 48 |
| Idaho | 1,158 | 961 | 889 | 1,212 | 99 | 61 | 48 | 69 |
| Wyoming | 374 | 371 | 236 | 390 | 28 | 27 | 15 | 25 |
| Colorado | 628 | 831 | 898 | 575 | 46 | 44 | 47 | 32 |
| New Mexico | 58 | 68 | 71 | 67 | 6 | 4 | 4 | 5 |
| Arizona | 752 | 652 | 756 | 611 | 60 | 39 | 39 | 35 |
| Utah | 424 | 416 | 354 | 338 | 33 | 28 | 23 | 22 |
| Nevada | 114 | 112 | 116 | 140 | 9 | 6 | 6 | 9 |
| Washington | 595 | 521 | 554 | 550 | 41 | 34 | 24 | 31 |
| Oregon | 344 | 299 | 324 | 241 | 24 | 17 | 13 | 12 |
| California | 3,248 | 6,122 | 2,977 | 4,229 | 245 | 322 | 161 | 283 |
| West | 8,402 | 11,073 | 8,019 | 9,208 | 641 | 621 | 420 | 571 |
| United States | 41,307 | 44,145 | 37,082 | 36,873 | 2,374 | 2,080 | 1,677 | 1,774 |

[1] Less than $500.

NOTE.—1953 revised; 1954 preliminary.

Mr. DEANE. Mr. Benson, what about the export market and the production of honey in foreign countries?

Mr. BENSON. Well, fortunately, we do export honey and it has been one of the means of removing our surpluses. We produce, I think, 1.4 pounds per capita in this country. The European countries and Canada consume a lot more honey than we do. Canada consumes 1 pound more per capita than we do so we have to export honey.

Mr. DEANE. In an effort to see you move your product do the armed services purchasing groups buy honey?

Mr. BENSON. I don't believe I can answer that. Could Mr. Willson answer that question, if he knows?

Mr. WILLSON. Occasionally, various supply depots of the Army buy honey, but always in a very small, insignificant quantity. The amount of honey bought by the Armed Forces today, sir, is almost negligible.

Mr. DEANE. Why is that true?

Mr. WILLSON. I don't know, sir.

Mr. DEANE. You indicated, Mr. Benson, that the Department agreed to have these pollination studies. Who in the Department administers this particular sum of money?

Mr. BENSON. Administer it or actually do the research work?

Mr. DEANE. The research work, is what I intended to say.

Mr. BENSON. We have a research laboratory in Arizona that is on a cooperative basis with the University of Arizona at which there are three men and a stenographer. They are engaged in studies now and have been for the last 2 years, I understand, on tangerines, alfalfa, and cotton. In Utah there is a laboratory at Logan and I am not sure if the personnel there are devoted to pollination, but I think 2 or maybe possibly 3 are in that location, and to my knowledge there are others in the country, and I think those figures are essentially correct.

Mr. MARSHALL. We are very appreciative of your group appearing before this committee. Thank you very much.

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TUESDAY, MARCH 8, 1955.

## TRINITY WATERSHED

### WITNESSES

**HON. FRITZ G. LANHAM, REPRESENTING THE TRINITY IMPROVEMENT ASSOCIATION**

**HON. JAMES WRIGHT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. MARSHALL. Mr. Lanham is appearing on the Trinity watershed project and related flood prevention and soil conservation programs, and we are very pleased to have him here and I presume, Mr. Lanham, that is the reason you are appearing before this committee today.

Mr. LANHAM. Thank you, Mr. Chairman, and you are correct. I am appearing with reference to the Trinity watershed .

Mr. MARSHALL. This committee is always interested in any comments which you have to make. You may proceed with your presentation in any way you wish.

Mr. LANHAM. I appreciate that, and recall with a great deal of pleasure my long service with most of you on this committee.

Mr. Chairman and members of the subcommittee, I will proceed with my statement.

You are giving consideration, among other things, to the 11 watersheds authorized through pertinent congressional acts 11 years ago to receive Federal aid in the development and completion of upstream flood prevention and kindred purposes. These 11 watersheds were selected and recommended by the United States Department of Agriculture as the ones most eligible for such a program.

I represent the Trinity Improvement Association, a nonprofit organization devoted to the proper development of the Trinity River in Texas and its vast watershed. The central office of the association is in the Commercial Standard Building in Fort Worth, Tex.

Among the 11 watersheds the upper Trinity was deemed the most important for the following reasons:

1. The project area was vastly larger than that of any of the others.
2. The benefits to costs ratio was extremely favorable.
3. The local people of the Trinity watershed had expended far more of their own money on flood prevention than had local interests in any of the other areas.
4. The Trinity watershed was then the only one with a comprehensive plan for controlling storm water from the top of the hill to the main stream.
5. The rate of erosion was accelerating to an alarming degree.

For these and perhaps other reasons, the Department of Agriculture and the Congress felt that the upper Trinity watershed warranted major attention and the major authorization among the 11 most eligible watersheds.

It was contemplated that this project was to be completed in about 15 years, but the intent of the Congress remains far from being satisfied. Indeed, if greater progress in accomplishment is not made possible, only our grandchildren may see the completion of this meritorious undertaking.

A relatively small percentage of appropriated funds has been allocated to this large and important Trinity project. The other projects in our region, the middle Colorado and Washita, have received more than twice as much percentagewise as the Trinity, and the same higher degree of assistance is enjoyed generally by the remainder of these projects. And this discrepancy exists despite the fact that Trinity participation by way of local contributions has been about 45 percent of the aggregate of such contributions on all the 11 projects.

This committee would greatly further the public interest in this instance by not permitting the Trinity project further to lag, and I cite two good reasons for this statement:

1. There is an existing joint Federal-local investment of many millions of dollars in downstream reservoirs that should be protected now.

2. Both the local interests and the United States Army engineers are well ahead of the United States Department of Agriculture in carrying out their respective assignments in developing the comprehensive Trinity River improvement plan.

It should be remembered that a substantial part of the upstream flood-prevention plan is above nine major reservoirs on the main tributaries of the Trinity River. The Federal investment in these reservoirs is approximately $50 million and the local investment $57 million. The completion of this authorized flood-prevention project would double the normal life and efficiency of these major reservoirs. In our part of the country, so susceptible to intermittent drought and flood, retention of such reservoir capacity is a very vital consideration.

This justified concern over sedimentation, naturally, explains in part why local interests are so anxious for the lagging Department of Agriculture phase of the project to be brought abreast of the other phases of Trinity development. Though the Department of the Army phase of flood control of the Trinity was authorized a year later than that of the Department of Agriculture, yet the Army engineers have completed 3 of the 4 major flood-control reservoirs authorized in 1945 and are expected to complete the other in this next fiscal year.

Let me bring it to your attention also that in the current upstream program the soil conservation districts on the upper Trinity have already procured enough easements and rights of way for floodwater retarding structures to—justify an appropriation of $4 million for the Trinity River watershed. Add to that present total the easements and rights of way which will be acquired in the next fiscal year and it is a logical conclusion that we could profitably use $5 million rather than the $4 million presently warranted by the existing progress made in this regard. To satisfy the equities of this situation, the Congress should afford the opportunity to carry out the authorized program in this large area where the original urgency has increased with each passing year. We can certainly find no logical basis for any contention that we should lag behind the other authorized projects.

Let me go a little more in detail concerning some of the salient facts I have recited. The Trinity people have long realized the tremendous importance of the conservation of our soil and water. More than 40 years ago the local interests of the watershed started large-scale building of levees and reservoirs to control, conserve, and utilize the great surface resources so essential in the economic progress of our country. Except for small assistance principally in maintenance, they worked alone at the job until Federal participation was approved in the acts to which I have referred. As a matter of fact, in these endeavors they have spent a great deal more of their own money in protecting and developing this watershed than has been spent by the Federal Government. That is a record of contribution which I do not think you will find duplicated in any similiar project.

Under the 1944 Flood Control Act and the 1945 rivers and harbors authorization for Trinity River improvement by the Corps of Engineers, there was put under way the Nation's largest, if not the only, truly comprehensive watershed program of the type to which Secretary Benson referred at a previous appearance before this subcommittee. I quote his words:

> Modern soil and water conservation further includes the planning and treatment of entire watersheds.

Now, under all the justifying circumstances, we are asking that the Department of Agriculture follow this wise philosophy and not permit

the Trinity watershed allocations to lag percentagewise, especially in view of the magnificent record of contribution by the Trinity interests. What request could be more fair? The Army engineers are far along in the work assigned them, and let me remind you that their activities do not overlap the authorized program of the Department of Agriculture.

When we pause to contemplate the great annual loss each year in the Texas area, it is enough to awaken us to the imperative necessity of taking immediate action to stop such depletion of our vital natural resources. In a 1952 report of the Department of Agriculture rather recently revised, entitled "Trinity River and San Jacinto River Watersheds, Texas," it is revealed that the tributary areas have measurable floodwater losses averaging over 10½ million annually and that the attendant intangible losses, such as land abandonment, dislocations, loss of labor, lack of stable farm income, and so forth, would probably exceed the measurable losses if such costs could be converted into dollars. And it is believed that probably nine-tenths of these losses occur on that portion of the Trinity watershed included in the 1944 authorization. From this statment of the Department of Agriculture it is a clear inference that our financial losses each year are vastly more than appropriations and allocations to prevent their continuance.

Surely it is high time that we take appropriate corrective measures. At the least, the Trinity watershed should receive allocations to bring its status percentagewise to a par with the other authorized watersheds. The completion of the project, originally planned for from 12 to 15 years, will require approximately another 60 years if we continue the present course.

The President has stressed the importance of this work on more than one occasion. In his state of the Union message last year he made this pertinent statement:

> Part of our Nation's precious heritage is its natural resources. * * * I recommend enactment of legislation to strengthen agricultural and upstream flood prevention work, and to achieve a better balance with major flood control structures in the downstream areas.

In a subsequent statement in his address at the dedication of McNary Dam on September 23, 1954, after reciting the fundamental importance of our natural resources, he had this to say:

> It is, therefore, essential that every drop of water, from the moment it falls upon our land, be turned to the service of our people. Thus, we will save our soil and make it more productive.
>
> Thus we will develop power, prevent floods, improve navigation, and supply our tremendous and growing domestic and industrial needs for water.

Yet, we are annually losing vast quantities of soil and water so essential to our progress. No conservation-minded person could disagree with these forceful words of the President. He has stated the basis of the Trinity's just claims far more impressively than I could hope to do.

I realize that our Department of Agriculture is a very busy governmental institution and that many programs of many kinds are committed to its charge, but the loss of soil and water is such a problem of paramount importance to our country that, in my judgment, it should be given priority in order that these losses may be prevented

and the preservation of our fundamental natural resources accomplished. In the Trinity area in particular, the program of flood prevention and sediment control is lagging to the extent that Federal and local flood control and conservation works are suffering irreparable damage. At the very least, the Trinity watershed program should be brought to a par percentagewise with the other authorized watershed projects and thus, in the words of the President—

> achieve a better balance with major flood control structures in the downstream areas.

I read in the Congressional Record recently, of a wonderful work we Americans are doing in a river basin in Turkey. I take no exception to that, for Turkey is a stanch friend of our objectives of freedom. But surely, it behooves us to make more rapid progress in the programs we have adopted for our own country.

It is axiomatic that soil and water are the fundamental requirements for agricultural prosperity. Concerning the vast importance of conserving them, the State conservationist of Texas, the Honorable H. N. Smith, recently had this to say:

> Widespread concern about water supplies emphasizes the importance of taking needed steps without delay to prevent rapid filling of reservoirs with sediment with accompanying loss of valuable water storage capacity.

Mr. Smith then refers to the four large reservoirs built by the Army engineers in the Trinity area and he makes this pertinent and forceful statement:

> If the proposed system of upstream flood prevention dams which has been planned by soil conservation districts and the Soil Conservation Service above Grapeville Reservoir were built immediately the sediment pool life would be lengthened to 116 years because of the sediment deposition which would be prevented. Similarly, the life of the sediment pools of the other 3 reservoirs would be extended to 2 or 3 times that expected under present conditions of the watersheds.

That is a most significant utterance. The soil deposited in the reservoirs is lost for all practical purposes and the water is replaces is gone beyond recall. The statement I have quoted shows clearly the necessity for greater progress in completing the Trinity project.

In response to my inquiry concerning the percentage of completion of the 3 of the 11 watersheds located in the Southwest, I received a few days ago the following information which the Soil Conservation Service of the Department of Agriculture very kindly furnished: The percentages of authorization that have been obligated through June 30, 1954, are as follows: middle Colorado, 26 percent; Washita, 32 percent; Trinity 14 percent. From the standpoint of the Trinity that same disparity is characteristic of the percentage of authorization obligated in the other authorized watersheds.

I shall gladly comply with the request of the Planning Division of the Soil Conservation Service to discuss further this situation regarding these watersheds, but the facts I have recited clearly attest the soundness of the views of the Trinity people in urging that at the very least the Trinity project should be brought abreast percentagewise with the other projects that have been authorized. It is unfortunate, in my judgment, that the Department of Agriculture does not insist upon more adequate estimates of funds for carrying on these projects to much earlier completion.

For several years I have told this lamentable story with the hope that it would elicit tears from others besides us Trinity folk. I realize the limitations under which you distinguished gentlemen labor and I am quite familiar with your desire to speed the progress of this important work. My long service in the Congress enables me to know of the great and patriotic interest and ability you have devoted to the conservation of our precious soil and water, the two indispensable natural resources for our continued progress. Let us hope that all concerned with these projects—the Congress, the Department, and the people—working faithfully and diligently together, can soon solve this problem of such paramount importance.

I appreciate this opportunity to appear before you and am most grateful for your patient hearing.

Mr. MARSHALL. Mr. Lanham, this committee is always interested in hearing a former colleague, and particularly one who has been as industrious as you have been in support of a project such as the Trinity watershed.

Your counsel and advice is always valued by us.

Mr. LANHAM. Thank you very much, Mr. Chairman; and I realize that under the budget system it is a very difficult matter for you gentlemen to do a great deal to improve this situation at once. But in this lagging in allocations for the Trinity project, which is decidedly the largest of all of them, and especially in view of the enormous contributions that the Trinity people have made to this program, some steps should be taken to get the Trinity project at least on a par with the other projects because that is a very important territory down there, of great potential resources, and we are losing, according to the Department of Agriculture, over $10½ million a year by reason of the delay.

Now, I don't know why the Department of Agriculture doesn't insist a little more strenuously before the Bureau of the Budget in getting necessary added funds to carry on this work. This is a program that was designed to be completed and the work finished within 12 or 15 years, but it will probably require 50 years if we continue at our present rate, and in the meantime we are losing our valuable soil and water. It is a very serious problem. I don't know definitely just what the committee can do since it doesn't make the allocations but simply provides for a blanket sum for these watersheds. One avenue of approach is to appropriate above the estimates. Perhaps the committee can impress upon the Department of Agriculture at least the necessity of bringing the Trinity project abreast of these other projects and of insisting when they bring the matter to the Bureau of the Budget that they request adequate funds.

You gentlemen know as well as I know that soil and water are the basis of our wealth and of our progress. But something should be done to save them. As I have stated, I realize the limitations upon you gentlemen, what you can and cannot do, but maybe you can start some kind of activity that will enable the country to get along more rapidly in finishing these wonderful projects.

Mr. MARSHALL. Mr. Wright, do you wish to add to these statements?

Mr. WRIGHT. Mr. Chairman, there is very little that could be added to Mr. Lanham's very splendid statement which I endorse. Moreover

I have just discovered today that I will have to be back to introduce some more constituents of mine who advised me by telephone that they are planning to come up to talk to you about this very thing. You may have heard from them and I presume they have told you about it.

Mr. HORAN. What is the condition of the watershed this year? Have you got plenty of rain?

Mr. LANHAM. In some portions we have had pretty good rains. You know the situation down in that country: we will have a drought and then we will have a flood. For instance, in 1949, in my home city of Fort Worth, we had a flood with more than $15 million in property losses and over 30,000 people rendered temporarily homeless, and I think about 15 persons were killed, and I know my own stepson just got away with his life, so, in that region any one period is not truly indicative of our problem.

Mr. HORAN. I wanted to say, and you would be, I think, interested in this, that the people who are interested in the upper Colorado watershed problem had a luncheon and a movie over at the Congressional Hotel at noontime and that is the reason I was late getting back here. But it is the same problem here with the Trinity watershed?

Mr. LANHAM. Yes.

Mr. HORAN. It was my understanding, though, that the Trinity had its headwaters in the Colorado, isn't that right, or doesn't it go that far?

Mr. LANHAM. No; that statement is inaccurate and the upper Colorado has received twice as much percentagewise for the completion of its project as has the Trinity.

Mr. HORAN. I recall that the committee increased the fund over the budget last year about one and three-quarter million; isn't that so?

Mr. LANHAM. And I think the committee would be well justified in increasing it that much or more this time.

I leave it before this committee, and you have been most patient and most kind, and I know the devoted attention that you have given to this serious subject, and I for one am grateful. I know the limitations upon you, but we have to work some way together to get all these watershed projects completed.

Mr. NATCHER. Mr. Lanham, thank you for a fine statement.

Mr. LANHAM. Thank you very much, Mr. Natcher. It was a real pleasure to meet you here.

Mr. HORAN. Mr. Chairman, I think we also ought to state our appreciation of the contributions, Mr. Lanham, locally down there, and it was the intent of this subcommittee when we more or less launched this pilot-watershed protection program to get matching funds, and you have a good record in that regard.

Mr. ANDERSEN. I want to join in this, Mr. Chairman. Mr. Lanham has been very helpful through the years in his testimony before this subcommittee.

Mr. LANHAM. I appreciate that, and we stand ready to make any further contributions which can properly be required of us.

Mr. MARSHALL. Thank you very much, gentlemen.

TUESDAY, MARCH 8, 1955.

FRESH FRUIT AND VEGETABLE INSPECTION

WITNESS

C. W. KITCHEN, EXECUTIVE VICE PRESIDENT OF THE UNITED FRESH FRUIT & VEGETABLE ASSOCIATION

Mr. MARSHALL. The committee will come to order.

We are pleased to have come before us Mr. C. W. Kitchen who has appeared before this committee many, many times in an official capacity for the Department of Agriculture. He is appearing before us now in behalf of the United Fresh Fruit & Vegetable Association.

Mr. Kitchen, you may proceed any way you wish.

Mr. KITCHEN. Thank you. I have a very brief statement to make here and I wonder if I could take your time to deliver it and then answer any questions you may have.

In the capacity of executive vice president of the United Fresh Fruit & Vegetable Association, with headquarters in Washington, D. C., I respectfully request that funds be provided for inspection work on fresh fruits and vegetables in the agricultural appropriation bill now under consideration. This work is conducted by the Agricultural Marketing Service, and the amount suggested is $250,000 in subitem 2 under "Marketing services." An estimate for carrying on this work was not included in the budget as submitted to Congress.

The nearly 3,000 members of the United Fresh Fruit & Vegetable Association, operating in all of the States, have a direct interest in this request. They are engaged in the marketing of fresh fruits and vegetables, and most of them are users of the Inspection Service.

For the first time in many years the 1955 budget made no provision for this work. This committee rejected that budget recommendation and provided funds for the current fiscal year which prevented an increase in the fees for inspections at terminal markets from $9 to $12 per carload. In taking this action this committee said in its report:

> This is a voluntary inspection service to stimulate good shipping and marketing practices and the committee does not feel that the appropriation cut and increase in inspection fees is warranted.

Apparently these views were disregarded in the preparation of the 1956 budget estimates, and we are confronted with the same situation again this year. The availability of an impartial inspection service as a basis for authoritative interpretation of federation grade specifications, adds stability and confidence in the marketing process. Similar services by the Department of Agriculture are widely used for many other commodities. In its report last year this committee recommended that the House Committee on Agriculture—

> consider recommending new legislation designed to develop a more uniform policy as to assessing fees for such inspection service.

I understand the Committee on Agriculture was unable to make the necessary study before adjournment.

The action of the budget amounts to a substantial cut. It means that the inspection service on fresh fruits and vegetables will be limited entirely to the fees it can collect. The service is now largely sup-

ported by the fees collected, together with funds obtained from the States under cooperative agreements. The appropriated funds have helped to carry some of the overhead costs, and make the service more widely available. The cut proposed in the 1956 budget will operate largely on the service in receiving and distributing markets. Fees are already high. Even with substantial increases in the inspection fee, it is reasonable to expect a loss of business, the closing of some inspection offices, and a reduction in the number of inspectors available in others. This is a disadvantage to producers and shippers who frequently need prompt inspection at destination, or while shipments are en route.

Should the budget estimate be approved as submitted, the Department could be confronted with a more serious situation than last year. If the President's recommendation for an increase in salaries and traveling allowances is approved, an even larger increase in inspection fees probably would be necessary.

Educational and demonstrational work is important in marketing as well as in production. For many years the Department of Agriculture, with the support and encouragement of Congress, has developed and promoted the use of uniform grades in marketing. Real progress has been made, and Federal grades are now widely used. This would not have been possible without an impartial inspection service to provide an authoritative interpretation of the grades and their translation into use in connection with specific transactions. The availability of uniform grades, supported by an adequate inspection service, provides stability to contracts; facilitates trading by enabling buyers to purchase with confidence without their own inspection; simplifies market quotations; facilitates the administration of marketing agreements in which inspection is usually compulsory; enables producers to market to better advantage; provides a basis for differentiating quality characteristics for consumers; and promotes quality improvement. Inspection certificates also provide evidence in settling damage claims arising in transportation, and in settling disputes under the Perishable Agricultural Commodities Act. As this committee knows, the cost of administering that act, which has been of immeasurable value in improving marketing conditions, is paid by the fresh fruit and vegetable industry through compulsory licensing fees.

In view of these circumstances, and the widespread interest in efforts to improve marketing efficiency by all available means, we believe the action proposed by the budget is unfortunate and unjustified, and should be rejected again. We hope this committee will approve our request and indicate that the funds are to be used to continue the inspection service on fresh fruits and vegetables on its present basis. We also hope action can be taken to establish a more permanent policy with respect to this important problem.

We hope this committee will approve this request and indicate that the funds are to be used as mentioned. We also hope action can be taken to establish a more permanent policy with respect to this important problem.

Mr. MARSHALL. Thank you, Mr. Kitchen. You have presented an excellent statement before this committee.

Mr. HORAN. I wish Mr. Kitchen would discuss the comparable services that are extended to the various commodities. Now I notice that this reduction is to be applied against fresh fruit and vegetables and poultry products. What are some of the other inspection and grading services that are comparable here? I believe the reason for the committee's action last year was that they felt there were some inequities and that probably they should be investigated by the House Committee on Agriculture, and the full value and proper allocation of the costs against that value be determined so that we and the Department would know more of what we were doing.

Mr. KITCHEN. Yes. Well, I will have to draw on memory for that, Mr. Horan. I believe the people from the Department have discussed the situation. The Department is conducting similar work on processed fruit and vegetables, and poultry and eggs and meats. That is inspection work. Then there is another group of inspection activity on cotton and green tobacco. Now, I wouldn't want to state too positively but I think a considerable part of the classification of cotton for producers under the Smith-Doxie Act is borne by the Government. As I recall the entire cost of supervising grain inspection under the Grain Inspection Act is borne by the Government, and I suppose practically all of the costs of administrating the Tobacco Inspection Act is borne by the Government. In that instance inspection is compulsory when certain conditions have been met so that if you looked over the whole field of agricultural products where standards have been established and inspection service provided you will find there is definitely not a uniform policy or uniform treatment among the various commodities. That it has sort of grown up by the passage of individual statutes dealing with certain commodities in the more perishable field like fresh fruits and vegetables. We have always insisted that that be on a voluntary basis.

In other words, people use the inspection service when they want to, and I doubt very much that there would ever be very much sentiment in favor of compulsory inspection.

Mr. HORAN. Of course, we require compulsory inspection under interstate shipments out of the State of Washington.

Mr. KITCHEN. I merely pointed out that under marketing agreements inspection there is usually compulsory as a provision in the agreement, so that there is a lot of compulsory inspection.

I feel that throughout all these years the Congress has encouraged the development of these standards which are only effective when they can interrupt through a partial inspection agency, and I expect the marketing of the industry of fresh fruits and vegetables are about as widespread and covers at least 100 commodities, so you have more need for a service of that kind anywhere else, and it seems to us that there is a public interest in projecting more stability in this system and certainly the amount of money that the Government is being asked to put into it here is very small, indeed, compared to many other things we are making big expenditures for.

Mr. MARSHALL. Thank you, Mr. Kitchen. That is all.

TUESDAY, MARCH 8, 1955.

SOIL CONSERVATION SERVICE

WITNESSES

WILLIAM E. WELSH, SECRETARY-MANAGER, NATIONAL RECLAMATION ASSOCIATION

GEORGE D. CLYDE, DIRECTOR OF UTILITY AND WATERPOWER BOARD

Mr. MARSHALL. The hearing will come to order.

Mr. WELSH. Mr. Chairman, if I may, I would like to file my statement for the record, and then instead of commenting on that statement myself I would appreciate it if Mr. Clyde who is here with me could do the commenting. I am secretary-manager of the National Reclamation Association. Mr. Clyde is a member of our agricultural research committee from Salt Lake City. I think, personally, that Mr. Clyde is probably the best man in the entire West to talk to you on this subject, the best qualified. I don't know how many years he was in the Soil Conservation Service of the Western States, and I would appreciate having him make the comments.

Mr. MARSHALL. Without objection, Mr. Welsh's statement will be inserted in the record at this point and we will proceed from there.

(The statement is inserted in the record, as follows:)

My name is William E. Welsh. I am secretary-manager of the National Reclamation Association. Our membership comes from the 17 Western States which comprise about 60 percent of the area of the United States.

We are especially interested in agriculture as it relates to the West. More than 60 percent of our members include officers, directors, managers, etc., of irrigation districts and other types of farmer-water-user organizations.

AGRICULTURAL RESEARCH

The following is a resolution which was adopted at the last annual meeting of our association held in Portland, Oreg., in November 1954.

RESOLUTION NO. 11—EXPANDED PROGRAM OF SOIL AND WATER RESEARCH

Whereas the water supply and arable land area available in the United States for the production of food and fiber is definitely limited; and

Whereas a rapidly growing population will, within the next 20 years, require more food and fiber than can be produced on the available land with available water using current methods and practices in water, soil, and watershed management; and

Whereas long-range, increased agricultural production can be obtained only by increasing the efficiency of water use, practicing better soil and crop management and managing the watersheds so that they will yield the greatest usable supply of water; and

Whereas accelerated research in the fields of the engineering aspects of irrigation and drainage, soils, fertilizers, and watershed management is a prerequisite to increased agricultural production; and

Whereas the agricultural research committee of the National Reclamation Association in 1952 prepared a comprehensive report summarizing the problems and research needs of the West as they relate to water supplies, their control and utilization, soil management, and forest and range development and use, verifying the foregoing paragraph: Now, therefore, be it

*Resolved*, That the officers and directors of the National Reclamation Association be hereby requested, authorized, and directed to support an expanded program of water, soil, and watershed management research in but not limited to the following:

(*a*) The engineering aspects of irrigation and drainage including (1) water supply and its physical control, (2) determination of irrigation water requirements, (3) methods of water application, and (4) drainage of irrigated lands.

(*b*) Watershed research including the management of forest and range watershed lands for maximum water production.

(*c*) Soil characteristics and moisture requirements for optimum growth.

(*d*) Fertilizers and soil management.

(*e*) Use of development farms for adapting finds of research to farm conditions.

The officers and directors are further requested to foster coordination of effort by all Federal, State, and local agencies that can contribute to such research; to take such steps as are necessary to keep the Members of Congress informed of the increasing population pressures and the importance of research preliminary to a demand for increased supplies of food and fiber; and to support legislation sponsoring this program.

Because of our rapidly increasing population in the West, the problems involved in the utilization and conservation of our soil and water resources are becoming increasingly important. Interest in these problems has been accelerating at a very rapid rate during recent years, not only because of our increased population, but also because of drought conditions which have been prevalent in many areas.

We have on previous occasions called to the attention of this committee the fact that the National Reclamation Association appointed a committee some 4 years ago to make a study of the need for continued and expanded research in the problems involved in the utilization and conservation of our soil and water resources. That committee published a very exhaustice report in the fall of 1951. This report was made public at the annual meeting of the association which was held in Amarillo, Tex., in October of that year. A summary of that report was later published as Senate Document No. 98. We still have a special committee appointed to represent our association for the purpose of bringing to the attention of the Nation the necessity of continuing and adequate program along these lines. Members of our N. R. A. Agricultural Research Committee include some very competent men who are vitally interested in this question. Some of them are men who have devoted a lifetime to this particular field of research work and are well qualified indeed to speak for the needs of the West along these lines.

It is generally recognized that any research program relating to irrigation agriculture involves three basic elements: Water, soil, and plants. It is recognized that the current agricultural research program being carried on by the Department of Agriculture in cooperation with the agricultural experiment stations is doing work to a limited degree in all three of these fields. However, we feel that in the field of water, research has not kept pace with research in the fields of soils, fertilizers, and plants. For that reason, our committee feels that special consideration should be given to research in the field of water.

At the meeting of our committee in Salt Lake City last year, one member of the committee who has devoted a large part of his life to this type of work, Mr. George Clyde of Utah, emphasized that there are five fields or elements of water management research which are essential in the field of irrigation agriculture. These elements are as follows: 1. Water supply and its physical control which includes conveyance; (2) irrigation water requirements; (3) methods of water application; (4) drainage of irrigated lands; and (5) irrigation organizations necessary to acquire title to water and distribute water among the owners according to their rights.

It was emphasized by our committee that new research in the field of water management should be concentrated in the areas of conveyance and methods of water application and drainage of irrigated lands.

There are a number of areas throughout the West where basic information obtained through such research work would be very helpful indeed. Two areas which come to my attention at this time are the Riverton project in Wyoming and the Shade Hill project in South Dakota.

### FARMERS' HOME ADMINISTRATION

A year ago when I appeared before this committee I told you about a special committee of our association, the farm finance study committee, which had been appointed to look into and make recommendations concerning the financial problems confronting farmers on new reclamation projects, most of whom were

veterans. I am happy to report that the situation has improved greatly since that time. It is my understanding that the budget recommendations for the farmer ownership loans as well as for the soil, water, and conservation loans are probably adequate to meet the needs.

There is one field, however, where it would seem advisable to increase the amount of funds to be made available, that is for production and subsistence loans—loans to assist farmers to carry on their operation programs. In view of the fact that farmers costs have remained high while farmers incomes have dropped considerably during the past year or so, we think these loans are very important at this time. We would like to recommend an increase of at least 15 percent over and above the amount recommended by the Bureau of the Budget for the Farmers Home Administration for this type of loan. We do want to emphasize, however, that on the new reclamation projects in the West where new settlers are confronted with the problem of grading and leveling land, building houses, barns, and other outbuildings, fences, etc., as well as constructing irrigation systems—that adequate funds for such purposes are of the utmost importance. We would, therefore, urge that the full amount recommended by the budget for this purpose be made available.

SOIL CONSERVATION SERVICE

The work of the Soil Conservation Service is nationwide and well known. In the West where agriculture to a very large extent, in fact almost entirely, depends upon streamflow runoff for irrigation water, the work of the Soil Conservation Service in snow surveys and streamflow forecasts has become exceedingly important. Especially in years of water shortage, it is very important that farmers know before planting their crops the approximate amount of irrigation water that will be available for maturing those crops. This is especially true in areas where the growing of row crops or truck farming is prevalent.

It has been our privilege to contact farmers in a great many areas in the West regarding the problems of streamflow forecasting, and we have found without exception that the work of the Soil Conservation Service in this field is very highly regarded. We urge that adequate funds be made available to continue this work.

Following is a resolution which was adopted by our association at its annual meeting in Portland, Oreg., in November.

RESOLUTION NO. 12—ADEQUATE APPROPRIATIONS FOR WATER DEVELOPMENT

Whereas the primary objective of the National Reclamation Association is the complete development of the land and water resources of the West; and

Whereas the accomplishment of this objective calls for adequate appropriations by the Congress: Now, therefore, be it

*Resolved*, That the National Reclamation Association hereby directs its officers to support before the Congress requests for sufficient appropriations to:

(*a*) Permit the Bureau of Reclamation and the Corps of Engineers to continue progressive construction programs in consonance with the needs therefor;

(*b*) Support acceleration of the forest service program of revegetation, watershed restoration, range improvements, and physical improvements of national forests;

(*c*) Support and continue the snow surveys and streamflow forecasting of the Department of Agriculture;

(*d*) Permit prompt and continuing acquisition, publication, and distribution by the Geological Survey of basic data respecting both streamflow and groundwater resources throughout the Nation;

(*e*) Permit completion of standard topographic mapping of the United States, if possible, by the year 1970;

(*f*) Support and accelerate the program of the Soil Conservation Service to provide more adequate assistance to the soil conservation districts;

(*g*) Support research, investigation, and action programs in soil and water conservation, basic and essential to the sound development and full continued care of the Nation's land and water resources basinwide and in harmony with multiple-use projects development;

(*h*) Support the land-capability inventory to be completed as soon as practicable;

(*i*) Support collection and dissemination of basic meteorological data by the United States Weather Bureau: Be it further

*Resolved*, That the various affected States are urged to give full support to the foregoing program.

In closing I wou'd especially like to emphasize the importance of having adequate funds available for the Soil Conservation Service so that they may maintain a source of technically trained men who are qualified to carry on the important conservation program which that agency is undertaking throughout the country.

Respectfully submitted.

WILLIAM E. WELSH,
*Secretary-Manager.*

Mr. MARSHALL. Mr. Clyde, we will be glad to hear from you. I would suggest, in accordance with the suggestion from our good friend, Mr. Welsh, that you do give us some background.

Mr. CLYDE. Mr. Chairman and members of the committee, my name is George D. Clyde. I now am director of the Utility and Water Power Board, charged with the responsibility of developing the remaining undeveloped water resources in the Western States and to so administer those resources as to get the most out of them. I was raised on a farm in Utah, and my entire professional career has been tied up with irrigation. For 23 years I was on the faculty of the Agricultural College, 10 years of which I was dean of engineers, and during that entire time engaged professionally in research. Subsequent to that assignment I was made Chief of Irrigation and Engineering Research for the Soil Conservation Service covering the Southern and Western States, and I did considerable work in the East. Subsequent to that assignment I was assigned to the Water and Power Board in Utah, which position I now hold. During my entire professional career I have been interested in water and was partially responsible for the development of system for the forecasting program which has been accepted in the United States and in fact throughout the world. I am therefore interested in this subject which is before the committee and would like to talk on this subject of agricultural research, particularly as it relates to irrigated areas, and the problems which face the future of agriculture under irrigating conditions.

First, the three elements which are basic are land, water, and plants—and then people come in to make the implementing elements. An irrigated agricultural project to be successful and permanent must be so conducted that the relationships between the water and the soil be maintained so that harmful sources do not accumulate and so that the soil structure does not change to prevent the entry into the soil of water and so that satisfactory conditions for plant development may be maintained in the soil.

Putting it differently, it is entirely possible to destroy an agricultural resource by misuse of both the water and the soil. The major element in the field of irrigation and the agricultural field is that which has to do with water. Now, we have had a bare hundred years of experience in this country during which time we have brought under irrigation more than 25 million acres of land, with the hope, and I am sure with the assurance, that those 25 million acres of land will remain in production in perpetuity; but that can only be done if proper management of these water and soil resources are maintained, and, unfortunately, there are many areas in our States where such management has not been had, and as a result areas have gone out of production.

We are already attempting to restore some of those areas. There again we need basic information relative to soil and water. The problems involved in the water phase partake of an engineering

character; that is to say, irrigation is merely the mechanics of the relation of water to soil to make up nature's deficiencies and it can be compared to the filling and emptying of a reservoir. The plant root taps the soil storage reservoir and takes the water out of that reservoir when it becomes dry; unless it is replenished the plant suffers and ultimately dies. Irrigation is the mechanics of applying that water.

It is that simple and yet involves many complicated relationships. The problems principally are these: In any irrigated area we first have to find the source of supply of water. We have to regulate it and control it and transport it to the point of use. That covers the area of problems in the field of supply; and keeping in mind that our supplies are limited both in amount and in location so that sometimes it has to be measured in yardsticks and sometimes the quality has to be measured, that helps to visualize the problem. That is true whether the irrigation be supplied in an arid region or humid region, and irrigation projects in humid regions have grown rapidly That is true because nature doesn't provide the water at the time that the plant needs it and man has to come in and modify that regime so as to make the supply coincide with the demand.

After we get the supply and learn how to build the engineering structures which control and convey it, the next problem we have to face is how much water does it take to produce a crop, in other words, how much shall we supply, keeping in mind again that our ultimate supplies are limited and we will never have enough water to go around even if we transport it to the points on a wide scale. How much water does it take? That problem has plagued us for quite a long time because we have to provide not only the water to supply the plant itself but we have to provide water to serve as a vehicle to get the water from the point of origin to the point of use.

We have certain inherent losses which are connected with this operation which we cannot avoid. Now, the great field of opportunity in this area of restriction lies in the development of methods of conveyance and distribution which will enable us to reduce that quantity to a minimum and thereby go to maximum efficiency.

We can determine fairly well now how much it takes to produce a crop but we haven't yet successfullly reconciled these problems of conveyance and control. After we determine the amount then the next problem we face is how you distribute that and how it is distributed to get to the reservoir with a minimum of loss; and we have followed over the past 100 years orthodox methods of splinter application with varying degrees of success, and I believe that of all the problems that we have now the greatest lies in the field of methods of water application.

Now, these are problems which cannot be resolved by research on plots in experiment stations. I think that is just out of the question. We tried it for a long time and I have been connected with experimental stations for more than a quarter of a century, and a determination of the proper methods of application just cannot be found from plot studies. We must use field conditions.

Mr. MARSHALL. You have passed the test tube stage and you are now in the position where you want to put it into action on a large enough scale to determine whether it is feasible or not, is that right?

Mr. CLYDE. That's right. In other words, we enter a relationship between the soil velocity and the infiltration in the test tube. When you apply it in a field, however, taking a field 1,000 feet long, the problem is to get the proper distribution of moisture into the proper place with a minimum of loss at the lower and upper ends, and we have to balance the length of the run with the size of the stream and both with the soil characteristics which exist and determine thereby how the water will go into the soil and the capacity of the soil to hold water, keeping in mind that the whole operation is to fill the reservoir plant and then filling it again. So coming back to that again I believe that we must look forward to life-size operations in making the adaptation of our specific findings in the field of soils and in the field of engineering to perform in order that we might get the maximum efficiency.

Now, there was created in this country in 1890 the irrigation division which was then organized, and it continued in operation for about 54 years and was responsible largely for the information that has been developed and disseminated in this country in the field of water application. An excellent familiarity was established through the Soil Conservation Service and their research organization whereby the farms on which the Service was working became the experimental areas for the determination of the proper methods of water application. With the reorganization a year ago or 2 years ago that was abolished, and I feel, and I can't help but express it to you now, that it was a great mistake, it was a great mistake in divorcing the research from the application and from the practical service which is inherent to this.

Now we have made an attempt to overcome that through the use of the development farm and to a limited degree the development farm becomes a life-size operation, but these conditions have so widened on a single project that we have to have many what we might call pilot farms on which we make these determinations, and after you make enough of them the pattern soon begins to develop and you establish a practice which fits the conditions and you then begin to bring up the efficiency of use.

Now, that is the one thing I believe we have to come back to sooner or later, whereby we can get to the farm and adapt these findings to the conditions that the farmer has to operate.

We conducted 10 years of research in Richmond in the experimental station and worked out a very beautiful method, we got a high efficiency, and we said to one of the farmers down there: "Can you now duplicate this?" He said, "No, I can't duplicate this on my farm for this reason: you had water available when you needed it and you irrigated only in the daytime. You had a stream that was proper for your particular operation. I have to irrigate when I get water, it may be night or day, and have to take the size of the stream that happens to be there. Therefore I can't meet those conditions because my conditions are not like yours."

Now, if we can get on those farms we can adapt the findings that we found on that research in these places, and that is the procedure I think we have to have.

Now, the other problem which goes along with this is the problem of drainage, because if we do this job of application wrong we aggra-

vate the drainage situation. Most of the drainage problem in the irrigated lands are the result of mismanagement of the water application, so that drainage becomes a serious problem, and there we need basically more research because then we have to determine again for the areas under which we are operating the conditions under which farming is done; not only the source of water, but the quantity that he has to deal with and the rate in which it moves through the soil, and the location of those horizons through which it moves; and every farmer is a law unto imself, so that we have got to improve our methods of investigation and increase the effectiveness of the relationships between the permeable horizon and the amount of water, so the problem of drainage comes in there.

Now, those five things constitute the field of research.

One of the problems again which has resulted from this reorganization is the loss of personnel. Research men must live with their jobs for some time before they become effective. It is a long-time proposition. We invest in these research people, get them up to a point where we can capitalize on our investment, and then we reorganize and disburse them. As a result of that disbursement we have lost most of our irrigation engineers and haven't enough engineers left in our department, and I think that is very serious.

Mr. MARSHALL. You think that is a handicap to research?

Mr. CLYDE. A very severe handicap, because he has to know agriculture and he has to know engineering and he has to be able to combine those two. I have said nothing about the other things that are very important, such as fertilization, plant breeding, and all those things that go with it. I am speaking primarily of the mechanics of getting the water on this in such a way that we can maintain our agriculture, and we must do that.

Now, there are some other things which have become quite evident, in my experience, in the irrigating areas one of which is the need for rehabilitation and betterment or irrigation systems. Most of the irrigation systems that were developed prior to 1925 were developed on a relatively small scale by the people themselves, and especially the 18 million acres that were developed before 1900. They had little advice, the canals were improperly located, the structures were poor, and now we find ourselves quite widespread in this condition—that we have a poorly designed system, a poorly located system, and a system of high losses. One of the big jobs of the Soil Conservation Service in the West has been the rehabilitation of irrigation systems, which has been very effective. They have been able to point the way, and carrying the irrigation cost themselves, either alone or with some minor assistance they have gone in there and developed their rehabilitation program. We call it in some cases progressive betterment. For example they will go into a system that might have 100,000 acres and they will design the whole system, and this company will take a structure this year and rehabilitate it next year, take another structure and so on, and pretty soon he has it all done.

I saw one instance of that where they had to replace a wooden flume and they could only replace half of it, so they had half wood and half concrete, but in 10 years they had the whole thing done, and this country is in bad need of that type of help to improve our irrigation situation, not only to have technical education, which I think will

have to come through organizations in the Department of Agriculture because you can't buy the surplus in the open market. There are very few engineers whose services are for sale in that particular field, and the only way to teach people to get help is to get it through the Government agencies. I don't mean that we should become Santa Claus, but I do believe that it is a responsibility of the Government to help the people help themselves, and that is one excellent way to do it.

Now the other thing is the question of finance, which is a stumbling block in many cases. Take these companies again. Most of them were not wealthy and are not wealthy, and the companies organized to supply water to the members do not have borrowing power, and many of them don't have too good a management. When given modern improvements, a loan, or given a little help they will begin to pick up and pretty soon be on their feet and be on their own.

We in Utah have a program right along that line where the State provides some financial assistance to these people. They do not provide it where they can get it from private agencies but in the last 5 years they have spent nearly $2 million on 63 projects. There is not a single fault in the whole works and it has resulted in savings in providing more than 82,000 miles of water at the cost of $28 per foot, and compare that with some of our bigger projects costing hundreds of millions. It is these little projects which are going to make the biggest gain and in that field it will be doing a great service to our people if we can maintain the technical staff so that they can point the way and help these people and show the way of financial resources that they can look to where they can't start their operation through ordinary lending.

Now, those are some of the things that have come to my attention in the many years of work that I have been engaged in these projects. We have a terrific backlog and opportunity and the cheapest way to get water in my opinion is through increased efficiency to research through the program such as the Soil Conservation Service, through minimum financial aid, and if that can be done I am sure agriculture is on its way.

This question of snow surveys I think is one of the finest contributions that agriculture has made for a long time. I may be biased but I firmly believe that a knowledge of what your water supply is going to be makes it possible to use that water supply much more efficiently. In addition to that it becomes available to the forecasting and flood-control branch, so that I hope that can be continued and that service rendered to the public. That is something you can't buy in the open market.

Mr. Chairman, I think that paints the picture as I see it and as I have seen it since I got out of the Federal service and throughout my experience.

Mr. MARSHALL. Mr. Clyde, you have given us an excellent presentation this afternoon.

Mr. HORAN. I want to share with the chairman my appreciation of your appearing here, Mr. Welsh and Mr. Clyde.

Mr. MARSHALL. Thank you. That is all.

TUESDAY, MARCH 8, 1955.

AMERICAN ASSOCIATION OF NURSERYMEN, INC.

WITNESS

RICHARD P. WHITE, EXECUTIVE SECRETARY, AMERICAN ASSOCIATION OF NURSERYMEN, INC.

Mr. MARSHALL. We are pleased to have before us Mr. Richard P. White of the American Association of Nurserymen.

Mr. WHITE. Mr. Chairman, I have a prepared statement here that I will have to give to the reporter, and then I can comment on it.

Mr. MARSHALL. That will be fine. Please proceed.

Mr. WHITE. I have several things I want to take up with you and express my views on and I appreciate the opportunity of coming before this committee. The first thing that I have written to Mr. Whitten about and I guess to some members of the committee was in regard to this baggage inspection that has been conducted in cooperation with the Customs and Agriculture for many years. It seems that the cooperative efforts between the two Departments of Government have been very close and very effective in uncovering contraband plant material in passengers' baggage.

Mr. MARSHALL. Yes.

Mr. WHITE. A year ago the proposal was made on account of the increased traffic and the increased amount of baggage that had to be inspected that the department of customs make an experiment on a spot basis to see if they couldn't get at least a high percentage of men and material at least as far as their viewpoint is concerned and satisfy Agriculture.

Mr. MARSHALL. I understand.

Mr. WHITE. I am told by the customs officials that a large amount of contraband material is missed by that process, how much I didn't know until I started to look over it just the other day, and I would like to have you turn to page 3 of the "List of Intercepted Plant Pests, 1953." In this paragraph right here the requirements of baggage are very visually indicated, the last paragraph over the main heading. In that paragraph alone they have discovered that the words "in baggage" appear 12 separate times and it is mentioned in that one paragraph. For example, the baggage originated in 9 separate foreign countries and the contraband material found in this baggage was made up of 13 different types of identifiable plants and in two cases with unidentified plants or assorted plants. I think this one paragraph alone will indicate the seriousness of this problem, and the importance of continuing an adequate inspection of passenger's baggage.

Also going down the same page where it says "In baggage" there is the overshadowed and intercepted material that they find in cargo or in ship stores.

Now, we are concerned about it.

I do not believe the solution of the problem is to greatly expand the appropriations to the Department of Agriculture for additional port inspectors. They do need some additional help; how many I

could not estimate and I suggest the Department be asked to make a statement to you on this matter. In my judgment, the solution of the problem is to make available whatever additional appropriations are needed for the Customs Bureau so that their inspection force can be increased and the past satisfactory cooperative arrangement between the Department of Agriculture and the Customs Bureau continued, with the Customs making their usual complete inspection.

This is a serious problem, and I hope this committee will explore the situation with representatives of the Crop Protection Service of the United States Department of Agriculture as you may have already, and will take up this problem with the subcommittee handling the appropriations for the Customs Bureau, seeking a satisfactory solution to it.

If this breach in our first line of defense against foreign pests is not closed, I fear to contemplate the requests for appropriations we may be seeking from this committee in the future for control and suppressive measures directed toward some new introduced insect or plant disease.

I cannot overemphasize the seriousness of this problem. I hope it will not be passed over too lightly.

I might say that this committee has been greatly concerned about that because so many of our diseases in plants have been diseases which have come in to this country in some form or other through importation of some other country and one of the things we have been greatly concerned about in the past is that the Bureau of Entomology hasn't had any success in intercepting this material.

I understand Mr. Sjulin, of Inter-State Nurseries, Hamburg, Iowa, has already appeared before this committee on behalf of funds to initiate research work on some obscure troubles of apples and pears. He has seen these diseases firsthand and is sincere in his belief that research on them should be initiated at once.

I have gathered what information I have been able to get on this problem from Dr. R. B. Tukey, of the Indiana Agricultural Experiment Station, who has made some preliminary investigations on it and from Dr. F. P. Cullinan at the Horticultural Research Center at Beltsville.

This committee is fully aware of the farm value of the fresh apple and pear crop and it is not necessary for me to call this to your attention. Our stake in the problem is to be certain that the disease, if it is a disease, is investigated and an approach to its control worked out. The nursery industry needs to know more about the problem so that we will not become the innocent and unsuspecting agents by which this disease is increased by the general nursery practices of producing and distributing fruit trees to the commercial orchardist.

I am reluctant to suggest that this committee increase appropriations specifically for any problem unless it is extremely urgent. I think it is urgent that research be initiated as soon as possible, preferably in my judgment, as a cooperative venture between the United States Department of Agriculture and interested States. I do not know what this committee may be considering as additional grants for research to the States; perhaps under these funds this work could be initiated. Due to the nationwide extent of the fresh-apple industry I believe the United States Department of Agriculture should perhaps coordinate

the research. Another solution might well be a regional project in which the several interested States could cooperate.

I do sincerely hope, however, that this committee will consider ways and means of getting some studies under way and that you might see fit to make some recommendations in your report.

Again referring to the List of Intercepted Plant Pests of 1953, page 12 lists a grand total of 7,717 interceptions. We aren't concerned particularly with that but we are concerned with the ones they didn't catch, although we know that no inspections can be 100 percent. Consequently I think this baggage inspection is something really more serious than most of us realize. I don't think the answer, Mr. Chairman, as I have written to Mr. Whitten, is entirely for this committee to appropriate money to increase inspection staffs of the Department of Agriculture. To me it would seem a duplication because you would have then two sets of inspectors looking at the same baggage for two different types of contraband material, and this cooperative arrangement between agriculture has been so close and economical that we would like to recommend for your consideration that some arrangement be made so that Mr. Gary's committee maybe can take care of an increased appropriation, whatever it might mean, for more customs inspectors who will report the contrabrand plant material to the 1 or 2 agricultural inspectors that be present.

Mr. HORAN. Have you testified before Mr. Gary's committee?

Mr. WHITE. No, I have not. I have written to Mr. Gary and Mr. Canfield calling this matter to their attention and that is as far as I have gone with that committee.

Well, that is the first thing. The next item, I think probably the answer lies within the States, but I do want to state it before this committee because it is a serious problem to us, and that is the virus diseases of apples and pears, which is serious maybe as applies to the homeowner, too. This has been very active in the Middle Western States for a number of years, an unidentifiable trouble which apparently is on the increase. Now, Mr. Sjulin of Inter-State Nurseries was before this committee, I think some time ago. He came up to see me afterward.

Mr. MARSHALL. Yes, he was before this committee.

Mr. WHITE. And I think Mr. Sjulin had the wrong idea in regard to how these matters should be handled. I think it is wrong from my viewpoint. I suggested to Mr. Sjulin after he appeared before here that the answer to this thing probably lay in the States. I told him, namely, that among the funds appropriated by this committee by the Congress were funds to the States for research work and that probably under those funds that this research could be started in Iowa and Michigan and Indiana where this disease is known, if it is a disease which is known to exist. Mr. Sjulin I think is of a different frame of mind than he was when he appeared before this committee some weeks ago, and I think he agrees with me that if there is any increased appropriations for research work from the Congress to delegate this to the States and let the States at least make the preliminary investigation because this is something which very few of us know anything about.

Just to wind up this discussion I would say that the answer to this problem, for the time being at least, lies between the States. That is the attitude of the National Association of Nurseries.

Now I come to several items of pest control. I just ran into a bunch of State regulatory people. I guess they followed me very closely here this afternoon. As I know from my previous years, this is a very definite Federal responsibility in regard to No. 1, keeping as tight a hold as possible on our imports of plant materials and plant polics that might bring pests into this country, and I believe the members of the committee know that also. You also know that we have the attitude consistent over a number of years that once a control is established in the United States then there is a joint responsibility between the States affected and the Federal Government.

Now, I am not wise enough to recommend or even have any sound ideas as to the proportion of responsibility between the States and the Federal Government on these things that become established. I do understand, however, that Mr. Soraci, State chairman of the national plant board, has a formula worked out of some nature.

Mr. MARSHALL. We expect him to appear later today.

Mr. WHITE. He is one of the men out here and I have confidence in the national plant board and the regional plant board so that I feel sure that whatever they recommend will be found satisfactory to the industry in that regard.

Now, another item in this book, I mentioned the fact that in 1953, which is the last issue, they reported 7,717 interceptions in our ports of entry. That is proof positive, at least to us, that full consideration should be given to this committee to support whatever is needed at the port of entries for the proper inspection of this material. You people know what we have been through this past year, I am sure, and with new beetle in California infesting stored grains, that new soybean nematode down here in North Carolina, and other new things coming in most of the time, and yet we have been confronted with the situation nonunderstandable to us. A number of years ago the Department of Agriculture made this proposal to permit entry of plants in mothballs. They finally abandoned that proposal.

Within 6 months they brought that proposal up again with a little different plan to it, and now again on March 1 they advanced it again. I don't know whether it is within the province of this committee or not, but in order to settle the nursery industry in this country and to play fair to us and to play fair to the nurserymen abroad, I think we ought to have a pretty well-established policy that we know will continue over a few years at least without covering up every 6 months for the determination, and I hope that some consideration can be given in some way by this committee to establish the present policy that the Department of Agriculture has in regard to these imports of plants that have grown in any one of many approved package materials. I believe that sawdust and shavings and excelsior are subject to contamination during the growing period and can bring you in these pests as part of the inspection and fumigation on the ports of entry. We know that there is no fumigation to control golden nematodes on these growing media; insect pests, yes, but not anything else.

Now, what the solution that devolves upon this committee is I don't know but I believe, I hope some consideration at least will be given to it.

Mr. HORAN. It is my own opinion that that can be corrected administratively. I doubt if it is a case of legislation in which case

they will request appropriations. They haven't made such request; have they?

Mr. MARSHALL. I understand it is entirely a policy within the department.

Mr. HORAN. It involves two departments, the Treasury and Agriculture.

Mr. WHITE. I suppose it does involve Treasury absolutely but basically it protects agricultural resources in this country against this danger which is certainly expressed in the list of these insecticide materials, and in regard to the administrative settlement of this thing it was settled once, and then immediately in 6 months it came up again and so again had to be administratively settled.

Mr. HORAN. That is upsetting to any international commerce, there is no question about that.

Mr. White. It certainly is.

Let me pass on. I wanted to play fair. Specifically I have three things I want to mention that we are particularly interested in in regard to these pest controls: The white-fringed beetle in the Southeast, the gypsy moth situation up in the Northeast, and the golden nematode up in Long Island. The golden nematode on Long Island—our experience on that has not been good, and with that pest and the like intercepted at our ports of entry should it ever get scattered around the country, heaven knows what is going to happen to us. If we are going to trade areas for each individual it is going to be very, very much limited. It is one of the most serious things to confront this industry right now because once loose it is going to be just very bad; so I hope, Mr. Chairman, you can give your consideration to these items so that the project on the golden nematode can be restored at least to that amount which has been reduced last year, which was $100,000.

On the situation in regard to the white-fringed beetle I would like to secure your interest for the restoration of the $50,000 which the budget has reduced. Insofar as the nurseries are concerned in the Southeast we can already ship freely with a Federal certificate but we don't like to see the pressure being built up around our nurseries all the time because we can't tell when another piece of land is going to be opened up for nursery production. We would like to see this control activity on the white-fringed beetle continued in order to relieve that pressure against treated land which we now have, and I think as far as our industry is concerned we can ship. It would restore a market to us or stimulate a market to us, because many acres are now out of production on typical southern crops.

The third one I want to mention is the gypsy moth situation up in the Northeast. We are concerned, and we are reappropriating money this committee has for the control of the gypsy-moth project. A number of years ago the long-range program apparently was worked out and was abandoned and again now this is the so-called barrier zone between New England and the rest of the country. I don't know what sums of money are needed but I do hope that adequate funds as you may determine may be made available so that we can this year treat those affected areas in the barrier zone and a few areas outside, in order to hold the line, so to speak.

In the meantime I think some committee of Congress, I don't know of any better committee than this one, should take another look at the long-range program in the Northwest. I think it should be done impartially, and perhaps there should be a Member of Congress from both sides of the Capitol on it. I think that it should be recognized on the committee and a broad public viewpoint obtained. We can go on and on with these pests holding the forts, so to speak, and get nowhere, and my judgment is to do a job and spend the money and get the job done and then get out than having it go on year after year and spend a lot of money. That is my personal view.

There is one other item that I want to spend a moment on and that is this Federal nursery deal that I have testified on before. It is our view that soil-conservation work and reforestation work would be done in this country if a clear line of demarcation would be made between the responsibility of various groups. It has been our view that the Federal Government limit its production to forest-tree seedlings of timber-producing species and plant them on federally owned lands or controlled lands. The State nurseries and State agencies do the same thing with their own State-controlled or State-owned land, leaving the business of supplying nursery stock to farmers, and that we got more in reforested land and conserve for soil-conservation purposes than we are doing now. This thing has come out very recently for 1954 forest and shelter land and it is very indicative of what has happened. Referring to Forest and Shelterbelt Planting in the United States During 1954, we find that—

> the plantings on the national forests and other Federal lands increased very slightly or remained nearly unchanged.

Further:

> The States and other non-Federal public agencies planted 50,711 acres, a decrease of 13,080 acres. This decrease occurred because 10,000 fewer acres were planted on State forests and 3,000 fewer on other State lands. In justice to some of the States that reduced their State land planting, it must be pointed out that they did so to get trees for orders from private land planters.

In other words the public money for the Federal Government and States is now being used to decrease plantings on State and federally controlled land and so provide for the private landowners. Now, the other side of the picture:

> Private landowners of the 48 States, Hawaii, and Puerto Rico planted 687,338 acres, an increase of 113,193 acres—about 21 percent over 1953.

In other words, they are now neglecting their own job, as I conceive of it, to take care of Federal land and State land in order to provide trees for private landowners, which are on the increase, and the other obligation is on the decrease. Now, we can move into this picture very readily. We are already producing, according to this same publication in 1954, 110 seedlings that can be used for reforestation and soil conservation, and as soon as the threat of Government competition with us is removed I am sure we can move into this picture very rapidly, as happened when the State nursery was abandoned in Kansas. They moved right in and supplied it. And this is critical this year, because Senator McClellan has introduced this S. 1003, the purpose of which is to get the Government out of business.

Now, let us assume that that bill passes; let us assume that the President's directive to the Departments indicates that they should get out of this business of nursery production, as well as others.

We will be confronted, Mr. Chairman, with these Federal and State nurseries supplying trees to private landowners, which must be liquidated on short notice. If that is the case, then our investment from the Government standpoint will be jeopardized, and I think this committee should perhaps give consideration to a 2- or 3-year program to bring this thing about, saving investments that we now have in these nurseries, and bring about, all in all, a justification of this problem.

Mr. MARSHALL. We appreciate your fine statement.

Mr. WHITE. I appreciate this opportunity, and I am sorry I took so many minutes of your time, which I know is valuable.

Mr. MARSHALL. We are always glad to have you with us, Mr. White.

Mr. WHITE. I have here a statement on the National Arboretum, and the front page will give you an idea of the development out here in the District, and again may I thank you for your time.

Mr. MARSHALL. We will enter that into the record.

(The statement follows:)

STATEMENT ON THE NATIONAL ARBORETUM

This statement concerning the financial situation of the National Arboretum, administered through the Agricultural Research Service, United States Department of Agriculture, was approved by the Advisory Council of the National Arboretum at its meeting October 19, 1954.

1. The Arboretum was on a meager maintenance basis from its beginning in 1929 to 1947. Taking account of present-day increased costs, it has returned to such a basis and is not able adequately to care for expanded plantings made from private gifts or funds appropriated by Congress. The plantings are far from completed. The Arboretum cannot, particularly when faced with emergency conditions from windstorms, droughts, and floods, even adequately care for its present living collections of plants on an annual maintenance and operations appropriation of $156,000 which less deductions for overhead and related items by the Agricultural Research Administration and the Horticultural Crops Branch leaves a net "take-home pay" of around $133,000. Inability to complete water system has resulted in large losses this summer from drought.

2. The Arboretum cannot meet visitors' demands and be opened generally to the public without completion of roads, parking space, and utilities, and without a custodial force. Recent critical news articles and editorials in the Washington Post and Times Herald were directed to this aspect.

3. The Arboretum most importantly cannot carry on the scientific research which is its primary objective, without laboratory and related buildings and scientific staff.

4. There have been four approved programs for physical development (as specified in the data attached) but, save for 1 year, the estimates required by such approved programs have not been submitted to Congress by the Department of Agriculture and the Bureau of the Budget.

5. Appropriations from 1929 to 1954 for land acquisitions have been made totaling $1,116,000. An appropriation was made in 1949 for plans and specifications for physical development amounting to $151,000. This appropriation was expended for plans approved by the Fine Arts Commission and the National Capital Park and Planning Commission but the plans have remained largely unused. Appropriations have been made for physical development (other than land acquisition) i. e., roads, utilities, gate house, and machinery shed, totaling $423,950. This congressional investment of around $1,700,000 is not producing an adequate return through failure to complete roads and utilities and to provide facilities for scientific work and scientific staff.

6. Taking account of increased costs of construction, the Arboretum requires about $2,450,000 over the next 3 years to complete physical developments and an annual maintenance and operations appropriation of at least $200,000 for the present and of at least $350,000 when completion of physical developments makes

possible a scientific staff and the opening of the Arboretum to the public and plantings are completed.

National Arboretum Advisory Council, Frederic P. Lee, Chairman; Ovid Butler, G. Harris Collingwood, U. S. Grant III, H. Harold Hume, E. J. Kraus, Angela Moore Place, William J. Robbins, Knowles A. Ryerson, Lloyd C. Stark, O. B. Thorgrimson, Myrtle R. Walgreen, Richard P. White.

## APPENDIX

### List of Appropriations by Years

The National Arboretum was created by the act of March 4, 1927. The same act provides for the Advisory Council appointed by the Secretary of Agriculture. There are listed below the appropriations for National Arboretum maintenance and operations expenses and for physical development to date:

| Year ending June 30 | Maintenance and operations | Physical development | Year ending June 30 | Maintenance and operations | Physical development |
|---|---|---|---|---|---|
| 1927 | None | [1] $300,000 | 1938 | $42,000 | [1] $80,000 |
| 1928 | None | | 1939 | 54,587 | |
| 1929 | None | | 1940 | 54,587 | |
| 1930 | None | | 1941 | 54,587 | |
| 1931 | $30,000 | | 1942 | 54,662 | |
| 1932 | 30,000 | | 1943 | 54,892 | |
| 1933 | 5,000 | [1] 386,000 | 1944 | 42,900 | |
| 1934 | 4,758 | | 1945 | 31,500 | |
| 1935 | 4,146 | | 1946 | 31,600 | |
| 1936 | 19,307 | | 1947 | 76,000 | |
| 1937 | 34,307 | | | | |

[1] Land acquisition.

Note.—Work on road bases, clearing, drainage, etc., by Civilian Conservation Corps unit. The Advisory Council was reorganized by the Secretary of Agriculture May 1946.

In 1946, in response to a suggestion previously made by the Bureau of the Budget, a program covering physical development of the Arboretum over a period of 5 years, 1948 to 1952, was prepared. This program was approved by the Secretary of Agriculture and the Director of the Budget and estimates for the first year, 1948, were submitted by both officials in accordance therewith. The program provided for land acquisitions to round out boundaries, preparation of plans and specifications, construction of laboratory and related buildings, roads, and utilities, and appropriations for these purposes as follows: 1948, $674,100; 1949, $843,800; 1950, $282,500; 1951, none; 1952, $500,000; total, $2,300,400.

| | Maintenance and operations | Physical development | | |
|---|---|---|---|---|
| | | Approved program | Budget estimate | Appropriation |
| 1948 | $86,900 | $674,100 | $674,100 | [1] $350,000 |
| 1949 | 86,900 | 843,800 | 327,000 | [2] 327,000 |

[1] Land acquisition.
[2] Plans and specifications, utilities and roads.

Note.—The House Committee on Appropriations stated in its report, "The 1949 increase just mentioned (the $327,000) represents the beginning of a 5-year development program for buildings, road, utilities, etc., amounting to a grand total of $2,325,400, including, of course, the $350,000 appropriated last year for the acquisition of additional land. When fully developed it is contemplated the arboretum will represent an institution comparable in character with Kew Gardens in England."

The physical development program was revised in September 1948 in view of nonconformance to the approved program of appropriations for fiscal years 1948 and 1949, as follows: 1950, $878,500; 1951, $315,900; 1952, none; 1953, $500,000; total including prior appropriations, $2,371,400.

| | Maintenance and operations | Physical development | | |
|---|---|---|---|---|
| | | Approved program | Budget estimate | Appropriation |
| 1950 | $100,000 | $878,500 | $70,000 | $70,000 |

NOTE.—At the hearings on the appropriation bill for 1950 members of the House Subcommittee on the Agricultural Appropriations were critical of this failure of the Bureau of the Budget and stated, for example:

"I am sorry to see the action of the Budget * * *.

"I remember distinctly asking the question as to whether or not, when we were making the appropriation last year, our action did not virtually commit us to practically the same appropriation for 5 years. It was under that impression that our committee and the Congress, I think, made the appropriation for fiscal 1949. It does seem to me that the Budget perhaps is going against the action of the Congress in doing what it is doing this year relative to the Arboretum * * *.

"And you might say (that the action of the Budget Bureau is inconsistent with the prior action) of the Congress, because the Congress accepted our recommendation last year."

**The physical-development program was further revised in 1949 to reflect 1950 budget estimates and increased costs, as follows: 1951, $1,231,000; 1952, $577,800; 1953, $37,500; total including prior appropriations, $2,594,500.**

| | Maintenance and operations | Physical development | | |
|---|---|---|---|---|
| | | Approved program | Budget estimate | Appropriation |
| 1951 | $104,700 | $1,231,000 | $48,000 | $43,950 |
| 1952 | 101,920 | 577,800 | 43,950 | 35,000 |

NOTE.—The program for physical development having been abandoned for the present by the Department and the Budget Bureau, following discussion with the Chairman of the Advisory Council the Director of Research on Nov. 8, 1951, approved budget estimates of $200,000 each for 1954, 1955, and 1956 for increased operation and maintenance and $100,000 for each of those years for roads and trails, total $300,000 a year, and stated that the Department's Director of Budget and Finance had given tentative approval. The Secretary of Agriculture wrote on Nov. 16, 1951, that "the Office of the Administrator will proceed accordingly."

| | Maintenance and operations | Physical development | | |
|---|---|---|---|---|
| | | Approved program | Budget estimate | Appropriation |
| 1953 | $111,000 | [1] | $35,000 | $38,000 |

[1] No program.

| | Maintenance and operations | | | Physical development | | |
|---|---|---|---|---|---|---|
| | Approved program | Budget estimate | Appropriation | Approved program | Budget estimate | Appropriation |
| 1954 | $200,000 | [1] $187,000<br>[2] 162,000 | $136,000 | $100,000 | $38,000 | $38,000 |

[1] Truman.
[2] Eisenhower.

NOTE.—For 1955 the budget no longer segregates "maintenance and operations" and "physical development" but combines the two into a single item.

*Maintenance, operations, and physical development*

| | Approved program | Budget estimate | Appropriation |
|---|---|---|---|
| 1955 | $300,000 | $136,000 | $156,000 |

NOTE.—The Senate Committee on Appropriations stated in its report, "The committee believes that the research program would be improved if the Agricultural Research Service adhered more closely to the recommendations of its various advisory groups in requesting additional funds. The committee was amazed to find that in certain phases of research only a small part of the advisory groups' recommendation was being implemented * * *. It is obvious that the Department needs to give more consideration, when requesting funds, to the recommendations of its advisory groups which were established to assist the Department in effectuating the research program" (S. Rept., 83d Cong., 2d sess., p. 5).

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TUESDAY, MARCH 8, 1955.

## NATIONAL PLANT BOARD

### WITNESSES

**FRANK A. SORACI, CHIEF, BUREAU OF ENTOMOLOGY, NEW JERSEY DEPARTMENT OF AGRICULTURE**
**ED L. AYERS, PLANT COMMISSIONER, STATE PLANT BOARD OF FLORIDA**
**R. P. COLMER, REPRESENTATIVE OF THE SOUTHERN PLANT BOARD**
**F. HERBERT GATES, CHIEF, DIVISION OF PLANT INDUSTRY, STATE OF COLORADO**
**E. L. CHAMBERS, ENTOMOLOGIST, WISCONSIN STATE DEPARTMENT OF AGRICULTURE**

Mr. MARSHALL. Mr. Soraci, we are pleased to have you before this committee to appear on behalf of the National Plant Board.

Do you have a statement? If you have any people with you, will you introduce them for the record?

STATEMENT OF FRANK A. SORACI

Mr. SORACI. Mr. Chairman, we have this statement and with your permission we would like to file it.

Mr. MARSHALL. Without objection the statement will be filed in the record. You may proceed, Mr. Soraci.

(The statement referred to follows:)

I appear before you today as the chairman of the National Plant Board, the organization of States' officials engaged in plant pest control and quarantine programs. We are the States' officials cooperating with the Federal Government in the crops regulatory programs of the Agricultural Research Service. The programs in which we are interested have been called action programs in this committee in past years. Last year there was evidence that Federal support would be largely withdrawn from this work. This committee was most attentive to our expressions of need last year and we are most appreciative of the effort extended in behalf of adequate Federal financial support for these worthy programs.

Our needs are somewhat different this year. With the help of this committee and the Congress the importance of the Federal effort in the crops regulatory programs has been reaffirmed. But again we need help. It is our belief that the estimates for 1956 contain important deficiencies on several necessary projects, while almost all the remaining projects would be in the position of having not quite enough money. With regard to the projects that would fall in the first

category, we would urge this committee to consider that the programs for the control of sweetpotato weevil, phony peach and peach mosaic, golden nematode, and grasshopper, and mormon cricket deserve continued Federal support. On these and other projects, we would ask that this committee give every consideration to the appropriation of sufficient money so that we might begin to think in terms of gaining, rather than losing, ground to the pests. The interest of State and Federal officials in this work is to show progress in achievement of control of these problems. Appropriation of insufficient funds has resulted, in some cases, in adoption of an alternative objective of maintaining the status quo. We have been pouring water on the fire to the full capability of the water supply, but we must ask encouragement of this committee in our efforts to put out the fire, especially when proper methods and materials are available for the final extinguishment.

In this connection I should like to speak very briefly of the status of the gypsy-moth-control project. The 1954 appropriation was practically the same as that proposed for 1956, $525,800. The 1955 budget contained only $197,200. The National Plant Board and others protested that actually $860,000 was needed in 1955 because the moth population was at an all time high, and there was need for treatment of large areas of threatened forest. We need to thank this committee for helping us in that dilemma. Largely through your efforts, it was possible at least to regain the $525,800 appropriation. Now, what has happened during the past 2 years? The moth has gone about its business infesting some 1,800,000 acres in the so-called barrier zone. This zone is the Iron Curtain to which Senator Payne referred last year when he asked for the full $860,000 in behalf of all the New England Senators. In the case of the gypsy moth, not only are we failing to cut down infested acreage, we are failing to maintain the status quo and the infestation has built up and is now spreading. It is now necessary that we come before you and ask your support for an appropriation of at least $1 million for this project so that at least 500,000 additional acres within the barrier zone might be treated and this threat to the forests of the country brought under control.

The golden nematode program is apparently scheduled for reduced Federal support. But the potato-growing areas of this country need a continuing strong program for protection against this extremely important pest. We need to expect that the time might soon come when potatoes can no longer be grown profitably on Long Island. Therefore, we might expect that, sooner or later, continued support of this project might not be too important for the local interests, but we in the neighboring States and in the other potato-producing areas of this country urgently need and should be entitled to the strongest kind of program on Long Island with full participation of Federal and State governments to contain this pest and, when the tools become available, to remove its threat. In this connection, the States through their regional and national plant boards have been engaged in devising a formula which might be applied to each project of the crops regulatory programs to detail the degree of responsibility that should be borne by Federal and State governments so that an adequate program can be accomplished. A majority of the States has already approved a formula and we feel sure that an understanding will soon be reached.

There has been general agreement among the States as to the financial needs of the various projects and the list follows, with figures for 1955 appropriation and the 1956 budget included for purposes of comparison. Each figure represents the judgment of those State officials directly involved with the project and agreement of practically all the States as to the soundness of the figure.

| Project | 1955 appropriation | 1956 budget | States' estimates of 1956 needs |
|---|---|---|---|
| Japanese beetle control | $427,100 | $427,100 | $575,000 |
| Sweet potato weevil control | 210,600 | 160,600 | 225,000 |
| Citrus blackfly and Mexican fruitfly control | 226,200 | 226,200 | 250,000 |
| Phony peach and peach mosaic eradication | 138,200 | 100,200 | 140,000 |
| Barberry eradication | 657,000 | 657,000 | 721,000 |
| Pink bollworm control | 1,213,100 | 1,213,100 | 1,275,000 |
| Golden nematode control | 344,400 | 244,400 | 375,000 |
| White-fringed beetle control | 681,400 | 631,400 | 700,000 |
| Hall scale eradication | 103,700 | 103,700 | 103,700 |
| Gypsy moth control | 525,800 | 525,800 | 1,000,000 |
| Grasshopper and mormon cricket control | 546,900 | 320,500 | 600,000 |
| Insect detection and advisory service | 298,300 | 298,300 | 360,000 |
| Emergency outbreaks of insects and plant diseases | 400,000 | 400,000 | 1,250,000 |
| Insecticide, Fungicide, and Rodenticide Act | 508,000 | 583,000 | 583,000 |
| Plant quarantines | 2,691,300 | 2,691,300 | 3,200,000 |
| Total | 8,972,000 | 8,582,600 | 11,357,700 |

I should like to call attention to the fact that, of the $2,384,700 asked above the amount appropriated for 1955, $1,832,900 is asked for the 3 items of gypsy moth control, the need for which has already been expressed, emergency outbreaks of insects and plant diseases, and plant quarantines.

The need for additional funds for emergency outbreaks of insects and plant diseases is obvious. I am sure our western plant board representative, Mr. Gates of the State of Colorado, will advise you of the need for a strong program of grasshopper control, which is financed from this fund. In addition we are confronted with such new problems as Khapra beetle, and various important nematode outbreaks. Financing of programs for control of European chafer and some Mexican fruitfly work must also come out of this fund. If work should be undertaken on some serious problem, such as fire ant, that would need to be financed from these funds. The emergency outbreaks money has proven inadequate this year. It is very important that sufficient funds be made available, so that newly occurring pest problems can receive adequate attention at the proper time.

The additional funds requested for plant quarantines are needed so that a more adequate system of baggage inspection might be installed at our ports of entry. I am sure Mr. Ayers, the official of the State of Florida, will be able to detail this need. Mr. Colmer of the State of Mississippi will also be able to speak of the projects of direct interest to the Southern States, while Mr. Chambers of the State of Wisconsin, will speak for the Central States.

All of the State agencies involved in this work are most appreciative of the time made available to us by this committee. I want also to express my own sincere appreciation for your help. We know that your own efforts in support of strong programs for the purpose of plant pest control will continue to add to the agricultural welfare and therefore to the real strength of this country.

Mr. SORACI. I would like, gentlemen, to start with a statement stating that we are most appreciative of the kind of help that this committee gave us last year when we were in a good deal of difficulty with regard to the plant pest control and quarantine programs of the Federal-State cooperators. We believe that the 1956 budget contains important deficiencies on several very important projects. Appropriation of insufficient funds has resulted in some cases in adoption of an alternative objective of maintaining a status quo with respect to these various pest problems.

In that connection I should like specifically to mention the gypsy-moth project. The history of that was that the 1954 appropriation was practically the same as that proposed for 1956, $525,800. Now the 1955 budget called for $197,200 but with the help of this committee certainly we were able to regain $525,800 for 1955. However, needs were for a larger amount of money and we did bring that to

the attention of this committee. We asked for consideration at the time of $860,000. I would like to refer to the fact that at the present time we have now something like 1,100,000 acres of infested forestland in what is known as the barrier zone of the gypsy-moth project. To work on this infestation we need an appropriation of about a million dollars this coming year and we would like to express that need so that an additional 500,000 acres of infested land might be treated.

The golden nematode is apparently scheduled for reduced support. We will need the strongest kind of program with the full cooperation of both Federal and State Governments to contain the golden nematode, and when the tools become available to clean it out.

I would like to state also that in partial answer to the needs as expressed by this committee the States have been working through their regional and national plant boards in devising a formula that might be applied to each project of the crops regulatory programs so that we might be able to detail the degree of responsibility between Federal and State agencies for the accomplishment of these various pest-control projects.

The majority of the States have already approved such a formula and we feel that an understanding will soon be reached. There is a table which represents the State's estimates included in this statement.

I would like to conclude by stating that of the $2,384,700 which the States are asking in addition to the budget estimates, $1,832,900 is asked for 3 items, for gypsy-moth control, emergency outbreaks of insects and plant diseases, and plant quarantines. The need for gypsy-moth control money I touched upon. Our western plant board representative, Mr. Gates, I am sure will advise you of the need for a strong program of grasshopper control which is furnished from the emergency fund, and in addition we are confronted with such new problems of funds necessary to combat important nematode outbreaks. The European chafer, the khapra beetle, and the Mexican fruitfly.

If work should be undertaken on such serious problems such as fireant, that would need to be financed from these funds. The emergency outbreaks money has proven inadequate this year, and we consider it most important that sufficient funds be made available so that newly occurring pest problems can receive adequate attention at the proper time.

STATEMENT OF ED. L. AYERS

Mr. Ayers, with your permission I am sure will discuss adequately the need for plant quarantine money.

Mr. MARSHALL. We would be glad to hear from Mr. Ayers at this point.

Mr. AYERS. Gentlemen, I have a statement that I would like to present.

Mr. MARSHALL. The statement will be placed in the record at this point and you may proceed.

(The statement referred to follows:)

In consideration of the evidence available we firmly believe that the funds recommended in the President's budget for the fiscal year 1956 are inadequate to protect American agriculture from further inroads by alien insects and plant diseases. Despite the fact that in recent years foreign travel and the importation of agricultural products have steadily increased the records show

that there has not been a corresponding increase of funds to enable the Plant Quarantine Branch of the Department of Agriculture to provide much needed safeguards. We are confident that you are aware that certain phases of foreign plant quarantine work have, of necessity, to be performed on a 24-hour basis, 7 days a week. Moreover we are equally confident that you are aware that the law now requires overtime pay for overtime work. This overtime work is not infrequent.

We in Florida, and in the other nine States comprising the Southern Plant Board, have good reason to be deeply concerned about the future alien insect pest and plant disease situation likely to result if the Bureau of Customs, which up until recently has rendered very good service, is forced to continue baggage inspection on a "sample" or "spot" basis which is a much lower standard than has been practiced for many years. The short table which follows compares the results of baggage inspection of certain passenger ships at one port alone (New York) for the same 30-day inspection period for the last 3 years. When you consider that the evidence submitted is based on 1 months' inspection at but 1 port of entry there must be but one conclusion, namely, that American agriculture is now in an exceedingly vulnerable position with respect to these foreign enemies.

| | 1952 standard inspection | 1953 sample inspection | 1954 100-percent test inspection |
|---|---|---|---|
| Number of passengers | 8,785 | 10,239 | 13,431 |
| Number of seizures | 865 | 682 | 1,645 |
| Number of seizures per 1,000 passengers | 98 | 67 | 122 |
| Number of pest interceptions | 116 | 69 | 440 |

As a resident of Florida where we have more than our share of introduced destructive insect pests and plant diseases, some of which may occur in the States you represent, I would feel remiss if I did not register concern about the results of this comparative test. From the country's standpoint, possibly the most alarming disclosure is that 100 percent baggage inspection in 1954 yielded 440 lots of plant pests as compared with only 69 in 1953, a 538 percent increase. We have an uncomfortable feeling when we realize that a large percentage of this uninspected baggage containing infested and infected material, after customs clearance, may proceed to any of the several States. Another disclosure which should be stressed is the fact that 18 lots of fruit infested with the Mediterranean fruitfly were taken by 100 percent baggage inspection as contrasted with 1 lot by sample or reduced inspection. Doubtless some of you will recall that it cost the Federal Government, the State of Florida, and certain civic organizations in excess of $7½ million to eradicate this destructive fruit pest when it was discovered in Florida in 1929. Bear in mind that this figure does not include losses to the growers of fruits and vegetables, transportation companies, etc. We do not wish to face another such calamity in Florida or elsewhere in these United States.

We do not feel competent to discuss the work of the Bureau of Customs but we do feel that failure to intercept some dutiable articles, such as diamonds, watches, cameras, etc., which may be included in baggage, does not present the monetary risk to this country that accompanies the clandestine entry of fruit or plants infested or infected with destructive pests. A single fruit or plant included in baggage might well be the means of establishing a new pest which would cost our growers millions of dollars annually. The funds needed to restore customs baggage inspection to its former level would seem to be negligible as compared to the cost of combating new major crop pests.

We confidently believe that foreign plant quarantine inspection could be materially strengthened if the funds for this work could be increased to $3,200,000 as recommended by the Southern Plant Board. This amount would merely bolster, and not permit much assistance in a thorough inspection of baggage. That responsibility should continue to be lodged in the Bureau of Customs and obviously that agency cannot adequately protect the agricultural interests with the personnel now available.

Mr. AYERS. We consider our foreign quarantines our first line of defense in fighting insects. In Florida, we probably have greater respect for these insects because we have a long line of close contacts with many tropical countries.

For example, we have a citrus industry down there worth $1 billion. It has been threatened twice with very serious pests, and it is being threatened now a third time.

At a cost of about $7½ million, we eradicated the Mediterranean fruitfly. I don't know if that would be possible today with the transportation we have or not.

But we have in the United States, the finest citrus industry in the world, practically free from worms. We are almost the only country that does have one free of worms, because of the fruitflies that get into them. We have had citrus canker, a disease that got in from Japan in 1915. It is one of the causes of one of the earlier quarantines. It threatened our industry. At the cost of a great deal of time and money it was eradicated.

We still have a tropical nematode, which has come in some time ago, which is being worked out, which we have a great deal of information on, which has virtually destroyed 6,000 acres of good citrus trees worth at least $2,000 an acre. It is spreading gradually and we are going back now to our legislature and planning a campaign for its containment and its possible eradication.

Eradication is a difficult word now, because we don't know the entire picture. That is just one of the few things. I don't want to burden you. For instance, we started a little study recently of some of the insects and diseases of citrus that were in the rest of the world, that were not in Florida, and here is what we came up with.

I speak mainly of citrus, because I know that. These other boys have just as important problems. Now, in Florida, we consider the port quarantine strictly a Federal function, but we have augmented the work down there to the tune of $100,000 in State money. In fact, we have put about 3 or 4 times as much money in it at they have. We started out and agreed to accept inspection out of Puerto Rico, which is a territory supported by the Federal Government. I think they are doing a better job than we were, but the forces have dwindled and dwindled until we are very much worried about it, and we know we are getting some help from them. That is just one of them—one of many things we are very much afraid of, this khapra beetle, which Mr. Chambers will tell you about, is a very serious thing to this country, more serious than a lot of you realize.

I would be glad to present this statement, and if you have any questions to try to answer them. We would feel like the foreign plant quarantine should be greatly strengthened, and if necessary some assistance given to customs so they can pick up their work.

About 2 years ago they started a baggage examination on a sample basis we call it, or on a spot basis. In other words, if you came in with 10 bags they would probably inspect 1. Or if you came in with 3 they would inspect 1. In some instances, they did better jobs. Recently, in the port of New York, after some argument we got them to do a sample inspection of 100 percent, and they recovered at the rate of 538 times what they did on their sample examination.

They discovered during that time just about 100 Mediterranean fruitflies against the one on a similar basis. We think it is entirely

inadequate, and we think we have many industries here that will be destroyed if we don't close the gate tighter than it has been. Like the chestnut blight. We have no chestnuts in this country today because the chestnut blight was left in the earlier days before we had quarantines.

Mr. MARSHALL. Thank you.

Mr. SORACI. Mr. Chairman, Mr. Colmer of the State of Mississippi would like the permission of the committee to speak of projects of direct interest to the Southern States.

Mr. MARSHALL. We will be glad to hear from him.

STATEMENT OF R. P. COLMER

Mr. COLMER. Mr. Marshall, I have a prepared statement.

Mr. MARSHALL. The statement will be placed in the record at this point.

(The statement is as follows:)

Chairman Whitten and members of the House Subcommittee on Agriculture Appropriations, my name is R. P. Colmer of State College, Miss. I am appearing before your subcommittee today as a representative of the Southern Plant Board, which is the official organization of the plant pest control and quarantine officers of the 11 Southern States beginning with North Carolina in the northeast and taking in Oklahoma and Texas in the southwest. I appreciate very much your courtesy in allowing me the opportunity to appear before you and present facts and figures in regard to appropriations for the Plant Pest Control Branch of the ARS.

As a representative of the Southern Plant Board, I will give you figures to justify the increases recommended in appropriations for southern projects and representatives from the other boards will speak in behalf of projects in their sections.

*1. White-fringed beetle control*

This serious pest of many and varied agricultural crops continues to spread and presents a quarantine and control problem which can best be handled by a Federal quarantine and Federal participation in funds on a larger scale than during fiscal 1954.

The States are already bearing more than their share of the financial burden as will be shown in the figures given below:

| | Non-Federal participation | Federal participation | | | Total Federal and non-Federal |
|---|---|---|---|---|---|
| | | Plant Pest Control Branch | Other Federal | Total Federal | |
| Fiscal year 1954 | $708,276 | $554,550 | $30,403 | $584,953 | $1,293,229 |
| Estimate, 1955 | 738,548 | 573,000 | 29,861 | 602,861 | 1,341,409 |

In my own State of Mississippi the financial figures are as follows:

| | Non-Federal participation | Federal participation | | | Total Federal and non-Federal |
|---|---|---|---|---|---|
| | | Plant Pest Control Branch | Other Federal | Total Federal | |
| Fiscal year 1954 | $118,164 | $62,533 | $770 | $63,303 | $181,467 |
| Estimate, 1955 | 85,384 | 74,851 | 847 | 75,698 | 161,082 |

The infested acreage has increased in all of the eight infested States due to spread of the beetle by various means as it is a notorious hitchhiker. For instance, it was found in New Jersey in 1954 having apparently jumped from the South to this State in the Northeast. In Mississippi, it was found for the first time during 1954 in five of our Delta counties where our famous long-staple coton is grown. If suppressive measures fail, the beetle can easily cause the cotton farmers losses in production as well as added expense in treating their croplands with insecticides such as DDT, Dieldrin and the like.

*2. Sweetpotato weevil control*

This destructive pest of the sweetpotato has continued to spread throughout the South due to the extremely warm winters we have been having since 1951. During 1954 there was an increase of 23 percent in the weevil infestations in the infested States. In Mississippi, the infestations increased 20 percent and the weevil was found for the first time in Lincoln County in 1954 and in Jones County in February 1955. This is a penetration into our potato-growing section and moves the weevils about 35 miles further north into the State.

At the present time the various States are contributing more than 68 percent of the cost of this suppressive program as will be noted by the figures given below:

| | Fiscal year 1954 | Fiscal year 1955 |
|---|---|---|
| Funds: | | |
| Federal | $211,850 | $210,600 |
| State | 408,700 | 510,600 |
| Total | 620,550 | 721,200 |
| Percent: | | |
| Federal | 34 | 30 |
| States | 66 | 70 |

In Mississippi the financial figures are as follows:

| | Fiscal year 1954 | Fiscal year 1955 |
|---|---|---|
| Funds: | | |
| Mississippi | $37,300 | $35,000 |
| Federal | 17,900 | 16,000 |
| Total | 55,200 | 51,000 |
| Percent: | | |
| Mississippi | 68 | 69 |
| Federal | 32 | 31 |

*3. Pink bollworm control*

This insect, the most serious pest of cotton, continues to spread and unless concerted action is taken to arrest this spread, it will soon be in all cotton growing States. Federal appropriations should be increased to join with States and industry in stopping this spread and reducing the infestation in the infested areas. Last year, the Federal Government appropriated $1,214,900 for pink bollworm control and $228,100 for research. States appropriated $414,423 and it is estimated that cotton growers, processors, etc., spent $3,161,941.

In Mississippi we spent approximately $23,000 in the operation of inspection stations at the bridges across the Mississippi River and intercepted living pink bollworms on 12 occasions. We believe that more money should be spent on inspection stations by the Federal Government so as to contain this pest while control measures are being taken in the infested areas.

*4. Phoney peach disease and peach mosaic control*

These serious virus diseases present a serious threat to the prunus industry and continued Federal aid is needed to assist the States in their control programs. Progress is being made in the removal of infected orchard trees.

In conclusion, I beg to call to your attention the fact that unless these crop regulatory programs are adequately supported by the Federal Government, their operation will suffer as the States have reached the limit of their financial participation. The figures I have given above show that the States and industry are carrying more than their proportionate financial share of the programs.

It is my opinion that money spent for research or extension cannot be used to best advantage if insects and diseases are not controlled or eradicated. Why learn how to grow more and better crops if at the same time you don't control injurious pests which will destroy these crops.

Mr. COLMER. If I may speak orally for a minute or so I would like the opportunity.

The white-fringed bettle is one of the most serious agricultural pests which has entered the United States in recent years, and the United States Department of Agriculture recommended a decrease in the appropriation for this most important pest.

It continues to spread, and if something is not done to stop it, it will soon enter into other sections where it is not known to exist now, and cause untold financial loss.

In Mississippi this year, it has moved into our rich cotton-growing delta, where it can cause untold damage. This insect hopped from the South, into New Jersey this year, and is causing Mr. Soraci's State quite a bit of alarm. I have figures here which show that the States are more than bearing their share of the financial load of this important pest. Another insect to us in the South that is most important is the sweetpotato weevil, which attacks our very important sweetpotato crop.

Because of continued warm winters, this insect is increasing over the South. There has been an increase of about 23 percent. This year it increased 20 percent. The appropriation for the control of this important pest was recommended for a reduction, and we are asking for an increase rather than a reduction.

I am introducing figures here to show that the States are carrying much more than their proportionate share of the cost of controlling this serious pest. By the way, when I say "States," I mean States and industry, too, as well as the farmers. The reason I am bearing down on that, Mr. Chairman, is that the Secretary's Office, I believe it was, 2 years ago, advanced the theory that the States should be—States and industry should be carrying more of the load, and these figures that I have here I believe, at least to my mind, prove that States are sharing their proportionate part of the cost of the campaigns.

Another most important insect in the Deep South is the pink bollworm, which all agree is the most serious pest of cotton.

It now has covered the entire State of Texas, which is under quarantine, and the entire State of Oklahoma.

Last year, it was found in Arkansas for the first time.

It is in the western part of Louisiana, and we in Mississippi are of course very fearful that it will cross the river and come on into our rich delta section.

This past year, our legislature appropriated $23,000 to set up quarantine stations at the 3 bridges across the Mississippi River, and we intercepted live pinkboll worms on 12 occasions.

These were in tourist luggage, as souvenirs, and such as that. We know they will tire of souvenirs and throw them out. We stopped a particular car at Greenville and found 26 living pink bollworms in a stalk of cotton that the man had picked up in Texas, so we took it

away and were burying it when the next car came along and of course we Americans are full of curiosity, always.

They asked the inspector: "What did you take away from that man?" We told them and they said, "That bird was tossing cotton out of that car for the last 15 miles."

Of course, that is Arkansas, which is too bad, but that is what scares us to death. We are asking that the Federal Government be given more money for this most important insect pest to increase their—well, they call them road stations, and we call them quarantine stations—whatever they call them, to try to keep it from creeping on us and then work at the source and kill it out in the heavily infested sections in Texas and Oklahoma.

Another serious disease which we are interested in in the South is the phony peach disease, and peach mosaic disease. I understand in recent months peach mosaic has been divorced from phony peach and added onto Khapra beetle, but I comment in my statement here on the two.

We in Mississippi have no peach industry, but in the States of South Carolina, Georgia, and such as that, it does present a very great hazard. Our line of thought in these projects that I have discussed is that they can be much more ably handled by Federal funds and Federal quarantines supplementing State funds, in that these Federal quarantines you might say overrule State quarantines. I am not using the exact words, but you know what I am trying to say.

For instance, just to cite an example, in the white-fringed beetle, there is a Federal quarantine, and when plants or materials qualify under the Federal quarantine, they can go into any State in the Union. On the other hand, if we in Mississippi certified them, we can say in your State, Mr. Horan, I don't care for Mississippi certification, but when you have Federal certification, it is accepted in all States.

And in conclusion, I have one comment.

We believe that research and extension are wonderful, because if we didn't have such we couldn't exist. But we also believe that unless these regulatory programs are carried along with the extension services and experiment stations you are losing ground because what you bring out by your experiment station work or by your extension work, if the insects and plant diseases destroy it, you gain nothing.

Thank you.

Mr. MARSHALL. Thank you, Mr. Colmer.

Mr. SORACI. Mr. Chairman, Mr. Gates of the State of Colorado would like to speak for a moment.

STATEMENT OF F. HERBERT GATES

Mr. GATES. Mr. Chairman, my name is F. Herbert Gates. I am chief of the division of plant industry, of the Colorado Department of Agriculture, but today I am representing the Western Plant Board consisting of 11 Western States, Canada, Hawaii, and Old Mexico.

I would like to say I do not wish to take but a moment or two of your time, because I have fact sheets I would be very happy to distribute to the individuals and your secretary, which delegate very clearly my thinking and the thinking of the Western Plant Board, rather than take up your time.

Mr. MARSHALL. We will insert your prepared statement at this point.

(The statement referred to follows:)

I appear before you today as past chairman of the Western Plant Board, which is the official organization of the plant pest control and quarantine officers of the 11 Western States, Alaska, Hawaii, and Old Mexico.

I have been delegated by the Western Plant Board to discuss the crop regulatory problems of the research services of the Department of Agriculture and especially those problems now in effect as they relate to the Western States and to recommend that your honorable body considers with all seriousness these problems and their impact on the economy of the agriculture of the United States. The Western Plant Board is very appreciative of the interest shown in research and education in the agricultural problems and we are fully aware of the necessity of this research and education. However, we of the Western Plant Board believe that research and education is not sufficient in itself and that provisions must be made for controls if this research and education is to be effective.

It is not necessary to take more of your valuable time but will submit, what we are pleased to call, fact sheets, on those problems directly relating to western agriculture. Those control programs that are in association with other sections of the country, we, of course, can only rely upon the judgment and recommendations of the opinions of control officials from those areas. We have had ample time to review these recommendations and feel that they are indeed modest and if the Western Plant Board was privileged to know the intimate details of these programs we might suggest an increase in the appropriations. I wish to submit the fact sheet of the control programs as they concern the west.

PEACH MOSAIC

It is my understanding that the control programs of phony peach and peach mosaic have disassociated, I therefore wish to discuss the topic of peach mosaic only.

The purpose of the peach mosaic control program is to prevent the spread and establishment of peach mosaic, a virus disease of peach trees. The virus causing the disease of peach mosaic has never been isolated, therefore it has been impossible for the research agencies to recommend a control other than the removal of infested trees and the prohibition of movement of peach nursery stock from nurseries showing the disease. At present the only effective control measure is the eradication of diseased trees in the orchards and nurseries.

Peach mosaic was first discovered in Colorado and was recognized as a threat to the peach industries as early as 1933. Approximately the same time mosaic infestations were found in Arkansas, California, Oklahoma, Texas, and Utah. In Colorado in 1935 based on an inspection of 521,986 trees, 6.16 percent of the trees were found infested and removed. Since that time the number of trees inspected have increased yearly, to 1 million in 1954. The percentage of infestation has been gradually reduced until the present time only two-tenths of 1 percent of the trees the past year were found to be diseased. These diseased trees were removed immediately and burned (the virus purely an infestion of the trees does not contaminate the soil). Since 1935 under the supervision of the control program approximately 125,000 diseased trees have been removed from Mesa County, Colo., orchards, at an assessed value of $15 per tree a total of $1,875,000 or more has been lost by the peach grower of Mesa County. In addition to this loss the State of Colorado, Mesa County, and the peach control board have contributed more than $100,000 in direct control funds. It has been estimated that the loss of fruit, as a result of this disease has been an additional loss of $1 million. Loss to railroads, truck transportation, labor, etc., has been an additional $500,000.

It is readily observed that the peach farmers of Colorado recognize the seriousness of peach mosaic and have contributed more to the control, than is generally recognized. Colorado does not produce any of the peach trees planted. These nursery trees are purchased principally in the States of the South-Central and Southeast; to provide for protection of the peach industry; Federal nursery environ survey is made each year by the Crop Regulatory Control Branch of the United States Department of Agriculture. Without this inspection and certification it would be necessary for Colorado to promulgate a quarantine prohibiting the movement of peach trees from nurseries located in these areas. This would greatly disrupt the economy of these sections.

If the economy of the peach industry is to be continued it will be necessary for the Federal Department to continue the appropriations for the peach mosaic control and eradication program. The Western Plant Board suggest that this appropriation be not less than $140,000 and that the nursery environs survey be continued by the Federal Department with no interruptions.

BARBERRY ERADICATION, CONTROL OF RUST OF SMALL GRAINS

Barberry eradication necessary for the control of rust of small grains is a control program of importance to all grain-growing areas. Stem rust is the oldest and most destructive plant disease affecting wheat, oats, barley, and rye.

A program of barberry eradication has been a State-Federal cooperative program for more than 20 years, and as a result of the eradication of barberrys the loss to small grains by rust has been greatly reduced with the exception of periodical (flareup) that have occasioned during this period. At the present time there is no commercial variety of wheat that is immune from attack by rust. This has been clearly demonstrated by the new identified race 15–B. Fifteen-B has developed since 1950 and is now known to occur and has become destructive in practically all wheat grown areas.

It has been reported that in one season loss to durham wheat in the Dakotas and Minnesota were 10 million bushels. Every commercial variety of wheat both winter and spring grown anywhere in the United States and Canada is susceptible to this rust. The eradication of barberry must continue if the United States is to keep control of stem rust in the wheat-growing areas. More than 3 billion bushels of small grain are grown each year in the United States. It might be said that the small-grain industry is the backbone of the economy of the United States. Any serious interruption to this industry must not be permitted to occur.

The accomplishments in the breeding of so-called rust-resisting varieties is commendable and should be pursued with great intensity in the future. This breeding of so-called rust-resistant varieties, however, is not enough; eradication of barberry is absolutely essential. It has been estimated that as a result of the barberry eradication programs of the past years that perhaps 90 percent of the barberry bushes have been eradicated. This program of eradication must continue until such a time as the threat to the small-grain crop is on a standby basis.

The Western Plant Board recommends that an appropriation of not less than $738,000 be appropriated in the consideration of the present budget.

GRASSHOPPER AND MORMON CRICKET CONTROL

Grasshopper and Mormon cricket control must be continued as in the past, if serious interruption to the economy of the Nation is not experienced. As a result of the surveys preliminary estimates introduced, that in 1955 more than 6 million acres of rangeland will require grasshopper control. This control must be initiated as provided in the following table:

| State | Landownership | | Total (acres) |
|---|---|---|---|
| | Private and State | Public domain | |
| Arizona | 150,000 | 225,000 | 375,000 |
| California | 196,500 | 22,500 | 219,000 |
| Colorado | 885,000 | 15,000 | 900,000 |
| Idaho | 11,500 | 44,800 | 56,300 |
| Kansas | 93,000 | | 93,000 |
| Montana | 640,000 | 179,000 | 819,000 |
| Nebraska | 50,000 | | 50,000 |
| Nevada | 29,500 | | 29,500 |
| New Mexico | 545,000 | 20,000 | 565,000 |
| Oklahoma | 500,000 | | 500,000 |
| Oregon | 262,600 | 27,400 | 290,000 |
| Texas | 1,750,000 | | 1,750,000 |
| Utah | 49,760 | 115,520 | 165,280 |
| Washington | 48,450 | 36,550 | 85,000 |
| Wyoming | 88,000 | 113,000 | 201,000 |

In the control of grasshopper on rangeland, which are usually the egg beds, a dual purpose is accomplished in that when a kill is made on rangelands there are no hoppers to migrate to croplands. This type of control is the more economic and satisfactory method in spite of the fact that it may be misconstrued and that controls are for rangeland only.

During the past few years the control grasshoppers on rangeland has been a cooperative program in which the costs were shared, one-third by the Federal Department, one-third by the infested States, and one-third by the rancher participation. This program is fair and in the opinion of the members of the Western Plant Board should be continued.

The Western Plant Board recommends that the Federal appropriation for the control of grasshoppers and mormom cricket be not less than $569,100.

INSECT DETECTION AND ADVISORY SERVICE

The Western Plant Board recommends and believes that it is necessary that not less than $366,800 be appropriated for the very valuable activities of the Insect Detection and Advisory Service.

This service in its short period of existence has demonstrated its value and it would appear to the Western Plant Board that more emphasis must be placed on early detection of infestations especially those that may be imported on plant material from foreign lands. An illustration may suffice in the introduction and establishment of the Khapra bettle in the States of Arizona, California, and New Mexico.

EMERGENCY OUTBREAKS OF INSECTS AND PLANT DISEASES

In reviewing the activities and responsibilities of emergency outbreaks of insects and plant diseases it appears to the Western Plan Board that this is one of the more important and necessary activities of the control branch. This activity is the only one that is equipped to enter an insect- or disease-control program without long and delaying discussions. It has been demonstrated time and time again that emergency measures in the control of insect pests and plant diseases have prevented serious and established infestations. It has, also, been demonstrated that where emergency measures were not properly executed the cost of control programs, each years have far exceeded the amount that is necessary to have controlled the original outbreak. For justification of this statement may I refer to the many millions that have been spent in the attempt of control of insect pests such as Japanese beetle, gypsy moth, and others. This activity merits the amount requested on the budget. The Western Plant Board requests $1,250,000.

INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

The Western Plant Board approves the appropriation of $587,600 for this very valuable contributory service. Under the State provisions of this activity 40 States now have identical legislation and because of this Federal and State legislation it is quite evident that the manufacture, sales, and distribution of insecticides is today as ethical, honest, and sincere as are the similar activities in the Food and Drug Administration or any other kindred service.

The farm population today can purchase with confidence insecticides offered for sale. This confidence, including the assurance of insect and disease control, knowledge of toxicity for the protection of human life, residue tolerances for the protection of the producing public and the elimination of the questionable pesticides.

FOREIGN-PLANT QUARANTINES

The Western Plant Board recommends without reservation the sum of $3,150,000 for foreign-plant quarantines.

As desirous as we all are of a good-neighbor policy; this policy will contribute to the importation of plant products either by commerce or in personal baggage from foreign lands. This condition will increase with time. It will be necessary that increased vigilance and inspection be continued. This, of course, will require increased appropriations for this work. This activity must be supported to the limit if we are to maintain normal balance in the production in the necessary food and fiber.

### JAPANESE-BEETLE CONTROL

Japanese beetle has not as yet become a problem of the members of the Western Plant Board. We are all familiar with the program, however, and desire that all control projects be processed with vigor in the areas of infestations and that this insect not be permitted to become established in any additional areas.

The Western Plant Board, realizing this activity as essential, requests their appropriation of not less than $575,000.

### SWEETPOTATO WEEVIL CONTROL

The production of sweetpotatoes in the States of the Western Plant Board has not as yet become a major industry; however, it appears that certain areas are ideally situated for the production of sweetpotatoes. This production may provide additional sources of substantial revenue.

It is, therefore, the desire of the Western Plant Board of the sweetpotato weevil control be prosecuted in the known infested areas and that the appropriation of $250,000 be approved.

### GOLDEN NEMATODE CONTROL

The Western Plant Board is very much concerned with the infestations as they exist in certain areas by golden nematode. This insect, at present, is not known to exist in those States of the Western Plant Board; however, the production of potatoes in this area is one of major importance and in many sections is the fundamental activity of prosperity, however, due to the great distance of the consuming market insect pests and plant diseases, now present, and other economic influences, potato production in the Western States cannot survive under the penalty of more pests or diseases.

The Western Plant Board resists any importation of any new pests or diseases and recommends an appropriation of $385,000 for the continuation of the golden nematode control program.

### WHITE-FRINGED BEETLE CONTROL

The Western Plant Board recognizes the seriousness and the biological adjudgments that are apparent by this serious insect. It is assuming new proportions ecologically and proposes a threat to agriculture in most climates, which of course is contrary to past thinking. To protect agriculture of the adjacent areas known to be infested and to control those areas now infested the Western Plan Board recommends an appropriation of not less than $700,000 for this activity.

### PINK BOLLWORM CONTROL

Pink bollworm generally is an insect pest of cotton areas of the South has become established in certain cotton areas of the West and proposes annually a threat of destruction of many cotton plantations.

Due to the nature of cotton production the movement of picking equipment, labor, etc., it becomes necessary to recognize these potentialities and resist them at all cost. There is sufficient evidence in the past to illustrate the need and value for pink bollworm control; the Western Plant Board recommends an appropriation of not less than $1,350,000 for this activity.

### HALL SCALE ERADICATION

The infestations of Hall scale in the United States is attributed activities of the Federal Department. It seems apparent that if the control programs as initiated against Hall scale are continued, that Hall scale may be eradicated.

The Western Plant Board recommends an appropriation of not less than $104,300.

### CITRUS BLACKFLY AND MEXICAN FRUITFLY CONTROL

Citrus blackfly and Mexican fruitfly at the present appear to be primarily insects of citrus fruits; however, there is no assurance that this is an established fact. There are insects in the same family that have proposed threats to other fruits. It is, also, to be recognized that the economy of the citrus areas may at times determine the economy of other sections of the United States. The only need for the control of citrus blackfly and Mexican fruitfly is very moderate when evaluated against the overall value.

The Western Plant Board requests that the appropriation of $240,000 be approved.

GYPSY MOTH CONTROL

It appears to members of the Western Plant Board that the support of funds for gypsy moth control is evident if one reviews the past activities of this program. This program must be continued if the economy of the Northeastern States is to be preserved. Recent and new outbreaks of the infestation of gypsy moth demonstrates clearly the need for the assistance of controls and surveys.

The Western Plant Board recommends that sufficient funds be appropriated to continue the activities of this program.

The following list of control programs of the Pest Control Branch in cooperation with the separate States with recommendations of the Western Plant Board is submitted for your serious consideration. These requests are justified based on the knowledge and experience of the regulatory officials of the Western States and we believe are in accord with the recommendations of the regulatory officials of all States on the Regional Plant Boards.

*Budget, 1955*

| | *Western Plant Board requests* |
|---|---|
| Japanese beetle control | $575,000 |
| Sweetpotato weevil control | 250,000 |
| Citrus blackfly and Mexican fruitfly control | 240,000 |
| Phony peach and peach mosaic eradication | 139,000 |
| Barberry eradication | 738,000 |
| Pink bollworm control | 1,350,000 |
| Golden nematode control | 385,000 |
| White-fringed beetle control | 700,000 |
| Hall scale eradication | 104,300 |
| Gypsy moth control | 860,000 |
| Grasshopper and Mormon cricket control | 569,100 |
| Insect Detection and Advisory Service | 366,800 |
| Emergency outbreaks of insects and plant diseases | 1,250,000 |
| Insecticide, Fungicide, and Rodenticide Act | 587,600 |
| Total | 8,104,700 |
| Foreign plant quarantines | 3,150,000 |

Mr. GATES. I understand Representative Wayne Aspinall of Colorado was before your committee recently.

Mr. MARSHALL. Yes.

Mr. GATES. And I think he answered any questions I might answer at the present time.

We, of course, are very much disturbed about several insect pests in our area, including grasshoppers, new infestation of khapra beetle, also the diseases of wheat, such as barbery eradication of the white stem rust of wheat, also peach mosaic. We would like to see those programs continued. We are of the opinion the States in the West are contributing generously to these programs, which I believe has been misunderstood, and we would like to see and do recommend continuation of the appropriations that have been suggested with possible increases in those that are a little behind. If I may, and you have no objections, I would like to just touch briefly on khapra beetle.

Mr. MARSHALL. Yes.

Mr. GATES. That, as you know, was an insect found in California in 1946, suspected of being a native species. Two years ago it was determined as a foreign species perhaps introduced in hemp bagging or similar material from Calcutta, or it may have been introduced into California by grain from China during the Second World War.

I have personally seen the effects of that insect there, and I think I can say without hestitation, in my 40 years in this type of work I never have seen an insect that poses such a threat to destroy the crop industry as does the khapra beetle.

I have walked through warehouses, with insects up to my shoe tops. I have seen three or four hundred tons of grain destroyed by the insect. The insect generates a body heat, which if there be any moisture would cause the sprouting of that wheat. The insect at the present time is being experimented on to determine control methods. We in Colorado have what we call a prohibitive quarantine, which is going to be in contradiction with the quarantine proposed by the Federal Department. We do not feel that the Federal department's quarantine is offering us the protection we need. However, that will be resolved between the different agencies.

We likewise appreciate and encourage all the experiments and investigations and research work that can possibly be made, and we wish to see those continue, but we feel with all of the research and all the investigations are of little value if we do not have the control programs to take the information and execute them in the field.

I believe that is enough of my thinking.

I would be pleased to answer your questions.

Mr. ANDERSEN. What line of control would be best for the khapra bettle?

Mr. GATES. At the present time, the State of California and the industry of California, are working on methyl bromide. I was visiting a warehouse which was fumigated in which the entire warehouse was covered. This warehouse is approximately a block long and half a block wide. It was completely covered by tarpaulins. All of the scientific instruments and scientists' knowledge was applied. The labor alone on that warehouse was $3,000. The Dow Chemical Co. contributed the fumigant but the total cost of that experiment was about $12,000.

Mr. ANDERSEN. Did you find it effective?

Mr. GATES. Five times the normal dosage for stored-grain pests was effective. But the insect has a peculiar habit, and it has been known to lie dormant, quiescent, and resume activities after 3 years.

It has a peculiar habit of feeding on castoff skins and reproducing under those conditions. They feed on the skin, and reproduce under those conditions, so we are not sure that has been effective as yet. It poses, I believe, the most serious threat to stored products and thrives on skins, hides, tallow, grain, any product of that high-protein content.

Mr. SORACI. I might supplement for a minute that statement with regard to the method of control. Methyl bromide is the only thing we have at the present time, other than fire. If you burn these buildings down we might have a good degree of control, but there is nothing else, and you have to fumigate them.

Mr. GATES. The grain industry in Mexico did that very thing, they burned down one infested warehouse.

Mr. SORACI. Mr. Chairman, we also have with us Mr. Chambers, of the State of Wisconsin, who would like to speak with regard to the Central States projects.

STATEMENT OF E. L. CHAMBERS

Mr. CHAMBERS. Mr. Chairman, members of the committee, I have prepared a statement here, and have incorporated the resolution of the Central Plant Production Board.

Mr. MARSHALL. The statement will be printed in the record.

You may proceed.

(The statement is as follows:)

At a meeting of the Central Plant Protection Board held last month in Lansing, Mich., the 13 member States unanimously voted to send a representative to Washington to present before this Subcommittee on Agriculture the increases they believed were needed in the crops regulatory programs of the Agricultural Research Service to effectively administer certain pest-control and quarantine programs.

I have here a resolution which was unanimously passed by the Central Plant Protection Board at their meeting on February 9, 1955, which indicates their recommendations for increases in certain items of the crops regulatory programs.

Whereas each member State of the Central Plant Protection Board has a pertinent and vital concern, either directly or indirectly, in all Federal-State cooperative plant-pest-control programs, including the financial considerations involved; and

Whereas the annual budget requests made by the United States Department of Agriculture for funds to support certain control programs frequently are in such amounts as to appear to be inadequate to the Central Plant Protection Board; and

Whereas the requests for items on such cooperative programs for the 1956 fiscal year are now under consideration by the Congress; be it

*Resolved*, That this board hereby recommends that said requests for the 1956 fiscal year as stated in Mr. Avery S. Hoyt's circular letter addressed to State plant quarantine officials under date of January 17, 1955, be revised as follows, and that our secretary immediately transmit a copy of these recommended revisions with a proper letter to each appropriate official of the United States Department of Agriculture and the Congress:

*Recommended by Central Plant Protection Board, fiscal year 1956*

| | |
|---|---|
| Japanese beetle control | $575,000 |
| Sweetpotato weevil control | 225,000 |
| Citrus blackfly and Mexican fruitfly control | 250,000 |
| Phony peach and peach mosaic eradication | 140,000 |
| Barberry eradication | 721,000 |
| Pink bollworm control | 1,275,000 |
| Golden nematode control | 375,000 |
| White-fringed beetle control | 700,000 |
| Hall scale eradication | 103,700 |
| Gypsy moth control | 1,000,000 |
| Grasshopper and Mormon cricket control | 600,000 |
| Insect detection and advisory service | 360,000 |
| Emergency outbreaks of insects and plant diseases | 1,250,000 |
| Insecticide, Fungicide, and Rodenticide Act | 583,000 |
| Total | 8,157,700 |
| Plant quarantines | 3,200,000 |
| Total | 11,357,700 |

I was honored by that board to perform this task. As the State entomologist of Wisconsin Department of Agriculture, I have enjoyed working with these States in cooperation with the Federal Government for more than a quarter of a century, and have been familiar with most of these projects since they were initiated. We have a slogan which we have used effectively in Wisconsin for many years in connection with our grasshopper-control programs. It is is follows: "Fight the grasshoppers while there is still a fighting chance." This slogan was coined to emphasize to the public the need for timeliness in applying control measures to permit stamping out a grasshopper infestation immediately after the

eggs have hatched while they were most vulnerable to poison treatment and were still confined to limited areas where the job could be done quicker and cheaper. We believe the slogan aptly applies to any pest-control program.

We believe that a pest which is a menace anywhere in the United States affects each and every State and that we should be just as interested in the control of injurious insect pests and harmful diseases in Florida or California as we are those in our own State or any other. We would much rather battle the pest where it makes its appearance than permit it to spread and cause nationwide damage and have to eventually fight it within the borders of our own State. The annual losses caused by insect and plant diseases in the Nation run into the billions of dollars. Certainly we should be justified in spending millions of dollars, if necessary, to protect our investment.

The first line of defense against these pests is our port inspection service and an effective plant quarantine enforcement service. More than half of our most serious pests are of foreign origin, and we must protect ourselves against further introductions through accidental movement of infested plant material, or as hitchhikers on our boats and airplanes.

While the Central States that I am representing are interested in the success of each and every pest-control program administered by the Agricultural Research Service, those dealing with pests we already have within our borders are of most concern.

While the eradication of the Japanese beetle was found at the outset to be impractical, it was recognized that the expenditure of the funds needed to carry on surveys and retard its spread were well justified and that the States expending large sums of money for this purpose should be given adequate assistance by the Federal Government. Recent infestations in Illinois and Michigan in our section have increased our concern. Safe, effective, low-cost methods of quarantine compliance acceptable to all States is being developed.

The discovery of a gypsy moth infestation at the south edge of Lansing, Mich., has likewise stimulated the demand for greater effort to combat this pest and keep it from further spread. The Michigan Legislature met this challenge by appropriating $150,000 to carry out an eradication program and their efforts appear to be very successful.

Fall grasshopper egg surveys carried on in more than 25 States reveal heavy overwintering egg populations which will result in severe outbreaks in those areas where hot dry weather conditions are prevalent this summer. Preliminary estimates indicate that in 1955 some 6 million acres of rangeland may require grasshoper control in 15 Western States and in cropland areas of many Central States. Because of their habit of migrating long distances when their food becomes scarce, these pests are always a serious threat to the entire country if not kept under control.

While barberry eradication is rapidly nearing completion, there remain 29,345 square miles of initial work and approximately 48,000 square miles of rework throughout the control area. Some of these areas will have to be worked more than once before the territory can be placed on a maintenance basis. A maintenance program consisting of nursery sanitation, rust surveys, informational activities, and periodic reinspection of certain properties is now underway in a number of States. The object is to maintain the barberry control that has been attained. It is like maintenance of a road—once it has been built the initial investment must be protected by effective maintenance.

Until recently, one has heard little about nematodes as being serious pests, but these microscopic eel-worms have taken on the appearance of dragons by their devastating behavior. Unlike the fields of entomology and plant pathology, having hundreds of trained men to rally to a call for help, there are only a mere handful of trained nematologists available in this country, and we are seriously handicapped without adequate trained personnel to identify and classify this new pest. Besides the better known narcissus and root knot nematodes, we have now found it necessary to deal with the golden nematode, potato rot nematode, citrus nematode, and now only recently with a new cyst-forming nematode damaging soybeans in the Castle Hayne area of New Hanover County in North Carolina. This pest is giving the soybean growers much concern, since this is an important farm crop, particularly in our Central States. The soybean plant has been comparatively free from pests and so this one could have an important bearing on our soybean industry. There are more than 200 million acres of this crop in central United States.

Such pests as these and dozens of insect pests and plant diseases would offer a serious threat to our economy if adequate funds were not set aside for emergency outbreaks of insects and plant diseases and these potential crop destroyers are what demand that there be ample funds for insect detection and advisory service.

With the threat of biological warfare constantly hanging over us, it is obvious that it is imperative that adequate emergency facilities be implemented to cope with any possible catastrophe our enemies might inflict upon us.

The past several years Federal funds for blister rust control have steadily been reduced, the heaviest cuts being applied for assisting the States in a cooperative control program on State and private lands. These lands comprise four-fifths of the control area and produce two-thirds of the annual cut of white pine lumber.

In fiscal 1955 there was appropriated for blister rust control $2,570,000, a reduction of $416,354 over fiscal 1954. In the 1956 budget the blister rust item totals the same as for 1955, $2,570,000. Earmarked for assisting the States and landowners with control on State and private lands for both 1955 and 1956 is $165,000, a 50-percent reduction over the amount authorized in 1954.

This sharp cut in Federal assistance to the States, made in 1955 and continued in the 1956 budget, was based on the assumption the States and landowners should pick up the slack. However, they did not do so. Funds provided by them decreased from $732,192 in 1954 to $650,315 in 1955, a drop of $81,877. The net result was an overall decrease in both Federal and local funds with a corresponding curtailment in control accomplishments. The gross acreage of white pine control area treated fell from 1,160,198 acres in 1954 to 853,115 acres in 1955, a drop of 307,083 acres, principally on State and private lands. Most of the work done was maintenance work and a reworking of areas previously treated. There was little latitude for expanding control to untreated areas where blister rust continues unabated.

The rust situation in sections of my State, the other Lake States, and elsewhere in the country has reached a critical stage where young white pines on thousands of acres of forest land are being killed. The same fate awaits additional thousands of acres unless the tempo of control is stepped up. I urge that this committee restore the blister rust control appropriation to the 1954 level.

These funds are used only for providing trained supervision of crews paid for by State and private owners.

Until owners can manage their forests on a crop basis, the present coperative program is necessary to control the rust, protect the public investment, and retain the white pines as important timber trees in our forests. Owners cannot be depended upon to practice rust control nor do the work on their own initiative until they learn to manage their stands for profit.

Mr. CHAMBERS. The Central Plant Protection Board is as much interested in one of the projects as any other, because we feel we are affected by all of them equally. We have a slogan in Wisconsin, on our grasshopper control: "Fight the grasshopper while there is still a fighting chance."

We believe that applies to all the projects that if we don't fight them while there is a fighting chance, we are wasting our time. We know that the tendency for the public to believe that if you have a pest in your State that is a nuisance, but it is a menace to the other States.

We feel they are absolutely right in wanting to keep these pests out of their States as long as they can.

The barberry work I know we are interested in because we want to continue that and get it on a maintenance basis. By maintenance, you know, we mean to get it down to a point where you can preserve what progress you have made, just the same as when you build a road, you have a lot of money invested in a road. If you don't maintain it, you are losing your investment. So we feel a project like barberry, when it reaches that stage, should be continued and completed.

They are getting pretty well toward the end now, and we don't like to see them cut off. The Japanese beetle project is vital to us be-

cause of the infestations in Illinois and Michigan that are showing a tendency to get into the rural districts.

That is the changing picture.

The gypsy moth, you know, has been found over in Lansing, Mich., and that has changed the picture there. That one is being eliminated. Over in New York State they are not being able to maintain this as they should, and we picked it up over at Lansing, Mich. now.

The project we are also vitally concerned about is the one that has to do with the emergency outbreaks of insects and plant diseases.

We have a lot of miscellaneous things that come under that that are really vital. As you probably know, you have been hearing a lot about these nematodes. There are the golden nematode, the sugar-beet nematode, and now they have a cyst-forming nematode in North Carolina that attacks the soybean.

The soybean is a very important crop in the Central States.

There are 200,000 acres of soybeans in that area. Biological warfare is one of the things that comes also under that. We believe we should have the personnel and the equipment available to meet any enemy attack, and if we don't have the material and the authority we are losing time, and we should be able to move in.

We believe the insect detection and advisory service is equally important to enable us to keep pace with these new pests when they come in, and to note their spread and arrange for their control.

I think that about covers the statement.

Mr. MARSHALL. Thank you, Mr. Chambers, and thank you, gentlemen, for coming before this committee.

Mr. NATCHER. Mr. Chairman, I want to join with you in thanking each of these gentlemen for the fine statements they have made to this committee. This especially applies, Mr. Chairman, to my good friend, Mr. Ayers.

Mr. Horan and I had the pleasure several weeks ago of meeting Mr. Ayers in the State of Florida, and I want you members of this committee to know that it does your heart good to make an inspection trip in the State of Florida, and see the splendid cooperation between the State plant board, the citrus industry generally, and the Department of Agriculture laboratories in the State.

I know my friend Mr. Horan will agree with this statement, and Mr. Ayers, I say to you, we are glad to have you with us today, and we certainly want to thank you and the other members of your Department in the State of Florida for making our inspection trip an enjoyable and a very interesting one. Mr. Ayers, we learned a lot from our trip and I think we are better prepared now to understand the problems of the citrus industry generally.

Mr. HORAN. I want to join with Mr. Natcher in that expression.

Mr. AYERS. Thank you, we believe in our State, and we believe in our work. We have a problem. The committee that you saw so many of are working right now. When I get back, we are going to get our shotguns out.

Mr. MARSHALL. Thank you.

TUESDAY, MARCH 8, 1955.

## INSPECTION SERVICE

### WITNESS

**J. H. MEEK, DIRECTOR, DIVISION OF MARKETS, VIRGINIA DEPARTMENT OF AGRICULTURE**

We have before us Mr. Meek, director of the Division of Markets of the State of Virginia. Mr. Meek, we are pleased to have you before this committee. You may discuss whatever you desire before this committee.

Mr. MEEK. Thank you Mr. Chairman, and gentlemen. I appreciate this privilege.

My name is J. H. Meek. I am and have been director of the division of markets of the Virginia Department of Agriculture for nearly 35 years. I served as secretary-treasurer of the National Association of Marketing Officials for 4 years during World War II; was president in 1951, and have been secretary-treasurer since that time.

I am now chairman of the committee of that organization on Federal-State relations. It is as chairman of the committee on Federal-State relations of the National Association of Marketing Officials that I appear before you.

Our association is not a pressure group. We are primarily a discussion group. Since some of our executive members do not have authority to act in such matters as this, I am not claiming to represent the association as a whole, but with my knowledge and experience I am confident that what I have to say meets with almost the unanimous approval of the executive members of our association, who are the men in charge of State marketing activities coordinated with the United States Department of Agriculture in establishing standards, providing official inspection, market news, and promoting the improvement in marketing of foods and farm products.

It is not my purpose to go into the technicalities of developing and maintaining inspection services, but I will be glad to answer any questions to the extent of my ability based on my experience these 35 years in pioneering in the development of numerous services—most of which have been coordinated with the United States Department of Agriculture and have developed to national proportions.

It is requested that the funds cut from the 1956 estimate, page 377, under item 2 (b) "Marketing services; inspection, grading and classing, and standardization" be restored.

It is my understanding that a decrease in the appropriation for the inspection of fresh fruits and vegetables of $250,000 and $70,000 for dairy and poultry products has been recommended, to be offset by increasing fees for these services. We oppose any further increase in fees. We think that not only should the decreases be restored, but that at least an additional $700,000 should be appropriated under this item to take care of the Federal overhead costs above the division level, which is now being paid out of voluntary fees.

Most of the States—in fact so far as I am informed—all of the States have provided funds from taxes to promote and supervise in-

spection services. All of the facts are not available but there is much evidence to show that some of the States have actually invested millions of dollars in promoting and developing these services. Of course, that is over a period of years.

Until recent years, some of us close to the activities of the United States Department thought tax money was being used in a similar way by that Department to promote and supervise these services, but we have learned that even above the Division levels large sums from voluntary inspection fees are being used for maintaining administration.

Permit me to call your attention to exhibit No. 1 and exhibit No. 2—namely letters from Mr. Joseph C. Wheeler, Acting Director of Finance of the United States Department of Agriculture, dated July 3, 1953, and January 4, 1954, together with my letter to him of November 3, 1953.

Exhibit No. 1 shows that $548,494 was used above the division level—formerly branch level, in 10 months ending April 30, 1953. With increased costs it seems only reasonable to estimate that this would amount to $700,000 annually now. In addition, the heads of the Division together with other personnel whose time is divided and largely put on other activities are paid a substantial percentage of their salaries from these funds; while at the same time men occupying similar positions within the States are paid from State tax money, and the States are required to pay into the Federal Department fees to carry these expenses of administration and supervision in coordinated Federal-State services.

We do not want to be relieved of these services paying the cost of maintenance from fees to the extent of personnel that is fully or largely assigned to maintaining these services.

Large sums of Federal money are being used in various ways to improve economic conditions for substantially the same people from whom these fees are collected. It costs money to administer these services, and it costs money to collect and channel these fees into the Federal Treasury. In other words, a toll is taken out both ways. This practice seems ridiculous from a practical point of view. It looks silly to some of us.

May I digress here a little to say that appropriations for title II of the Research and Marketing Act of 1946 which are matched by State funds are inadequate. They should be enlarged sufficiently to meet more of the many problems that seem to crop up as fast or faster than we can solve the current ones.

It was represented before committees of Congress when the reorganization bill was being considered that more work was going to be done in the marketing field. Therefore, we are totally unable to understand why appropriations for these important services that have developed gradually but need much more rapid development are receiving requests for less money instead of more. Not only an appropriation sufficient to wipe out this reduction but to wipe out the overhead costs is long overdue. It will eliminate numerous difficulties in maintaining Federal-State relations, harmony, and progress in this field.

There are times when development of cooperative agreements for inspections—if all expenses in doing so were charged to the project, the amount of money to the United States Department involved does

not meet the cost of just arranging the agreement. This should be eliminated. This prevails largely because of the entangling relations. A sizable appropriation in this field over and above what has ever yet been made—say one and one-half to two million dollars annually—will do more to help in marketing problems than any other activity in the broad and much-neglected field of marketing, some of which has not ever been recognized and participated in by the United States Department.

If I had time I could tell you of some of these things that will literally save many millions of dollars in the distribution field when applied nationally in reasonable volume.

Your favorable consideration to this request will meet with almost universal approval and appeals to many thousands who are laboring in the field of standardization, official inspection looking forward to identification of quality from producer to consumer, so consumers can purchase on a basis of quality with confidence.

I thank you.

Mr. NATCHER. Mr. Meek, we thank you for your fine statement. I believe at this time you desire to have placed in the record certain exhibits; is that correct?

Mr. MEEK. I have filed those. I wouldn't insist on their being printed with the statement if you would just as soon leave them out.

Mr. NATCHER. All right, sir.

Mr. MEEK. I am trying to save costs.

Mr. NATCHER. We appreciate it. Thank you very much, sir.

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TUESDAY, MARCH 8, 1955.

## NATIONAL MILK PRODUCERS FEDERATION

### WITNESS

### E. M. NORTON, SECRETARY, NATIONAL MILK PRODUCERS FEDERATION

Mr. MARSHALL. We are pleased to have Mr. Norton with us. Proceed as you wish.

Mr. NORTON. My name is E. M. Norton. I have filed a statement, gentlemen, so with your permission I will skip who we are. We are located at 1731 I Street, here in the city, a national organization made up of dairy farmers. We have three items we would like to discuss today.

#### FARMER COOPERATIVE SERVICE

I will now read the statement if I may:

The National Milk Producers Federation took an active role in the establishment of the Farmer Cooperative Service when it was authorized in its earlier form by the Cooperative Marketing Act of 1926, and the Federation has continuously supported it since that time. The work performed by the service for associations of producers engaged in the cooperative marketing of their products—including processing, warehousing, manufacturing, and cooperative purchases of farm supplies and other related activities—has made substantial contributions to the progress and development of cooperatives in the

dairy industry. These cooperatives now do a business of $2.5 billion annually.

We were gratified when in 1953 the service for farmer cooperatives was accorded the same organizational status in the United States Department of Agriculture as the Agricultural Marketing Service, the Extension Service, the Forest Service, and other units. The importance of the Farmer Cooperative Service to American agriculture, we believe, was well expressed by President Eisenhower on October 15, 1954, when he spoke in Indianapolis on the work of the 83d Congress.

* * * this same Congress—

he said—

authorized the establishment of the Farmer Cooperative Service as a separate and vital agency in the Department of Agriculture. This action is in line with our efforts to strengthen farmer cooperatives.

The ever-increasing complexities of our agricultural economy and the consequent problems developing in cooperative management and operating techniques indicate an increasingly greater need for the essential services supplied by the Farmer Cooperative Service.

Although the Farmer Cooperative Service is now organized on a sound basis to render practical service to dairy farmers and their cooperatives, as well as all other agricultural cooperatives, the budget request for 1956 is the same as last year but is substantially less than past years.

I looked over the figures today relating to expenditures of the Farmer Cooperative Service, gentlemen, and I noticed that from 1951 to date the appropriation has decreased about 26 percent, and that is quite a drop.

We urge the Congress to restore the appropriation to the 1951 level of $565,000. This action would make it possible to restore and extend necessary services to farmer cooperatives and place the staff of the Farmer Cooperative Service on a personnel classification level with staffs of the other services of the Department.

I happen to know that the Chief of the Agricultural Marketing Service is a grade 18. Now, with the same level of duties as the Marketing Service, the Farmer Cooperative Service Administrator is a grade 15, leaving no room for a Deputy Administrator who ordinarily is paid a grade 17. Therefore, it is impossible to employ adequate qualified personnel unless salaries for their services are made comparable to other service agencies.

Although Agricultural Marketing Act funds also are made available to the Farmer Cooperative Service, we point out that the projects financed by these funds are restricted to the general field of marketing. Such funds are not available for the express purposes stipulated in the Cooperative Marketing Act of 1926 which are directed to the type of assistance in which dairy cooperatives may need special help. While we vigorously support the continued apportionment of Marketing Act funds to the Farmer Cooperative Service for studies which it can best make, we do urge the Congress to provide additional appropriated funds sufficient to enable the Farmer Cooperative Service to perform more adequately the job assigned to it, namely, to provide assistance to cooperative associations through research and service on their organization and operating problems.

ADMINISTRATION OF FEDERAL MILK MARKETING ORDERS

I would like to discuss now for a moment the administration of Federal milk marketing orders.

The unusually high standards of public service developed by personnel responsible for the administration of the Federal milk marketing orders are most commendable and have resulted in the effective service these orders have given dairy producers and others.

However, if this program is to continue as an effective service for producers, handlers, and consumers, adequate funds necessary to establish classification grades high enough to attract and hold competent personnel must be made available to the USDA.

The number of Federal milk marketing orders has increased from 37 in 1950 to 55 in February 1955—5 of these having been instituted since July 1, 1954. It is anticipated that 10 additional orders will go into effect this year. To keep pace with this growth, we urge the appropriation of sufficient administrative funds to permit the employment of additional qualified personnel in the Washington office of the Dairy Division of the Agricultural Marketing Service, and for the employment of qualified regional men for this Division. Qualified personnel in areas throughout the United States is necessary to perform very essential on-the-spot services to all parties interested in Federal milk marketing orders.

NATIONAL SCHOOL LUNCH PROGRAM

The National Milk Producers Federation supports the school lunch program as being one of the most effective programs administered by the Department of Agriculture.

We commend the Congress for rejecting previous suggestions that the appropriations for this program be reduced. We urge that the program be continued and expanded through increased appropriations, giving consideration to the ever-increasing number of children of school age and the accepted standards of adequate nutrition.

Expansion of this program will result in a greater use of high quality milk and dairy products. An increasing school population and a relatively constant Federal appropriation has resulted in a declining level of Federal support for this program. Any reduction in the appropriation for 1956 would aggravate this situation and make the program less effective. We recommend that, as a minimum, the Congress continue the appropriation for the national school lunch program at not less than the amount appropriated for 1955.

Under the national school lunch program, there has been a decrease of $16 million requested. I would like to point out the uses of section 32 funds and section 6 funds are different entirely in theory, insofar as their applicability to school lunches are concerned. There was section 6 money used in years past when section 32 funds could not be used. I don't think there is anything wrong in turning money back to the Treasury if it is not used. We hope this surplus could reverse itself and section 6 funds could be used again as in the past.

ACCELERATED BRUCELLOSIS ERADICATION PROGRAM

The National Milk Producers Federation commends the Congress on their recognition of the importance of an accelerated brucellosis program as evidenced by the authority contained in the Agricultural Act of 1954. Reports from the Agricultural Research Service of the USDA show that Federal-State cooperation in this program is increasing in effectiveness and steadily moving toward the goal of brucellosis eradication. We therefore urge continuation of this authority until such time as the threat of brucellosis to our dairy producers has been wiped out.

Mr. MARSHALL. Thank you, Mr. Norton.

I think at this point it would be well to express our appreciation for recognizing the efforts that the Congress has made in the past in restoring some of these funds. We feel that they are things that are needed for the welfare of the people of this country.

Mr. ANDERSEN. I would like to comment on that, Mr. Chairman.

Mr. MARSHALL. I would be glad to have you do so.

Mr. ANDERSEN. You will recall last year the budget for the project, unfortunately in my opinion, urged the reduction by 15 million in the school lunch program, and also brought before this subcommittee no money whatsoever for indemnity payments for brucellosis. You will recall this subcommittee in its wisdom saw fit to rectify those errors which we felt the Budget had made, and I believe you can rest assured, gentlemen, that this subcommittee is intending to again rectify certain errors which we recognized to be in this budget before us.

Mr. NORTON. We are very grateful, Mr. Andersen, for that. We feel the brucellosis program is most important. We also have a deep feeling on the section 6 funds.

Mr. ANDERSEN. I appreciate your statement very much, Mr. Norton.

Mr. MARSHALL. Thank you, Mr. Norton.

Mr. NORTON. Thank you.

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TUESDAY, MARCH 8, 1955.

## POULTRY AND EGG INSPECTION

### WITNESS

### CLIFF D. CARPENTER, PRESIDENT, INSTITUTE OF AMERICAN POULTRY INDUSTRIES

Mr. MARSHALL. We are pleased to have before us this afternoon Dr. Carpenter. Will you proceed, Mr. Carpenter, with your statement? Would you like to put it in the record and comment from there?

Mr. CARPENTER. I think it is so brief, sir, I can place it in more promptly by reading it.

Mr. MARSHALL. All right.

Mr. CARPENTER. Mr. Chairman, my name is Cliff D. Carpenter. I am president of the Institute of American Poultry Industries, 221 North La Salle Street, Chicago, Ill.

I greatly appreciate the opportunity accorded by the committee to present our views concerning the matter of an adequate appropriation for the inspection and grading of poultry and eggs and their products.

When we appeared before you last year on this same subject, we supplied the committee with information on the organization, purposes and objectives of the institute which is a nonprofit organization made up of persons engaged in the production, breeding, hatching, processing and marketing of poultry and eggs. I will not, therefore, take the time of the committee to go into that background again unless the committee desires me to do so.

I would, however, like to emphasize briefly again the importance of poultry and eggs to agriculture and to our economy generally. Poultry and eggs are the third largest producer of cash farm income, being exceeded only by meat animals and dairy products. Over 4 million farmers, located in almost every county in the United States, produce poultry and eggs. The annual gross returns exceed $4 billion. The great bulk of the farmers who raise poultry are small farmers and those engaged in the handling, processing and marketing, upon whom farmers must depend to process and distribute the poultry and eggs produced are also small businessmen.

We appeared before you last year on the same subject, because there had been excluded from the budget all funds for the inspection and grading of poultry and eggs. The Congress, however, did not accept this recommendation and included in the appropriation an item of $100,000. Although this sum was sufficient to defray but a small portion of the amount which is assessed by the Department against this program for overhead, it was greatly needed and was of assistance in the continued maintenance of the service. Notwithstanding the action taken by the Congress last year, there was again excluded from the budget this year all funds for the inspection and grading of poultry and eggs as well as for fruits and vegetables.

We are, therefore, compelled to appeal to this committee to include in the appropriation adequate funds for these purposes.

The inspection and grading services, as you gentlemen know, for poultry and eggs and other farm products have been conducted for a great number of years on a permissive basis and they have become an important part of our marketing processes. These services were provided because they tend to aid in the marketing and distribution of farm products, to expand markets and enhance returns to producers, and to provide consumers with high quality, wholesome products. The benefits of these programs, without question, are enjoyed by every segment of our society. The benefits derived by the public from inspection have clearly been recognized in the case of red meats where the entire cost of inspection, except overtime, is paid out of appropriated funds.

The inspection and grading services of the Department have grown up over the years more or less like Topsy. There is a wide variance between the relative contributions made to the inspection and grading programs by the different commodity groups. They range all the way from practically zero to almost 100 percent in the case of poultry and eggs.

In the light of this situation, it is difficult for us associated with the poultry and egg industry to understand why the administration has failed to include in the budget adequate funds for continuing inspection and grading programs for poultry and eggs and fruits and vegetables, particularly in view of the refusal of the Congress to

accept the recommendation of the administration last year. Not only does such action seem to us to unjustly discriminate against poultry and eggs, but it completely ignores the importance of these services to farmers and consumers in eliminating trade barriers, in expanding consumption, and in assisting the marketing and distribution of poultry and eggs in distant markets. Unless these services are continued on an economical basis, great damage will be done to the interests of both the farmers and consumers.

The Department has in the past, and does now, expend sums of money to develop these inspection and grading programs and to encourage their use and acceptance by the trade and the general public. It appears to us that the Department by its failure to request funds for the administration of these programs is abandoning the progressive steps which have been taken in the past to improve and expand the distribution of poultry and eggs.

The poultry and egg industry has done an outstanding job in meeting the needs of the Nation with high quality poultry and egg products at prices which every housewife will attest have been most reasonable in comparison with the costs of other things. Poultry and eggs, as most of you know, have been selling below parity for a long time. The consumption of poultry and eggs has increased tremendously. Egg consumption per capita increased from an average of 296 in the prewar years (1935–39) to a record level of 412 in 1954. Poultry-meat consumption per capita has increased from about 15 pounds prewar to about 28 pounds in 1954. These achievements have been accomplished and poultry and eggs have reached the No. 3 spot as a producer of farm income without reliance on Government-price aids. This is not to say that the poultry and egg industry has not had its troubles this past year. Prices in 1954 for all classes of poultry and eggs reached disastrously low levels, and for part of the time the parity relationship for eggs was below the levels suffered in the depression years. Through the combined efforts of producers in reducing production and in promotion programs on the part of industry to expand consumption which were supported by the Department of Agriculture, a better balance is being obtained between supply and demand—but we still lack a lot of being out of the woods.

Any weakening of the inspection and grading program or any increases in the heavy costs of the program which are now being shouldered by the industry would not be in the public interest. Instead of strengthening or improving these marketing programs, increased fees and higher costs would make it difficult for many users to remain under the program and would probably preclude others from coming into the program.

At the present time, over $3 million is being collected from the industry for the poultry and egg inspection and grading program. There was appropriated for this program last year only $100,000. Thus, the industry is paying in excess of 95 percent of the total bill, a percentage which is considerably higher than that paid by other commodity groups for similar programs. We believe that a greater share of the cost of the program which is actively being fostered by various Government agencies and which is primarily for the benefit of the public generally should be paid out of appropriated funds.

While it seems to us that it would be sound for the entire cost of these programs to be paid out of appropriated funds, we are not asking

such action because these programs are established on a voluntary basis.

It is our suggestion that the amount assessed against these programs as administrative overhead should be paid out of appropriated funds. The Department collects in excess of $3 million from the industry. Of this amount, about $700,000 is utilized to pay what is called overhead, but which in part represents a fixed percentage of the amount collected. Thus, the amount charged as overhead increases instead of decreases as the volume of product inspected increases.

I think that is a very important point to consider.

Of the $700,000 item, about $200,000 is used to pay salaries of persons employed in Washington above the level of the Poultry Division, in administrative positions who would necessarily be employed whether there was an inspection or grading program or not. A sum of about the same amount is used to pay salaries of personnel in the Poultry Division—most of whom would be employed regardless of whether there was an inspection and grading program. The users of the service have no authority or responsibility for the organization of the Department of Agriculture or the number of personnel employed at the various administrative levels. We believe that the Department should be adequately staffed in relation to its overall responsibilities and functions and that its administrative staff should not be dependent upon the amount of fees collected. None of the funds paid by industry should be utilized to pay the salaries of regular personnel who would be employed otherwise. If this principle were adopted, it would require an appropriation of about $400,000. This would leave to industry the responsibility for paying all field supervision costs amounting to about $350,000 and the salaries of all inspectors and graders amounting to about $2,500,000.

It is our view that the benefits of these programs to producers and consumers easily justifies this relatively small appropriation. The service which is in the nature of a regulation to which industry voluntarily submits goes principally to a public determination of wholesomeness and quality which protects the public and facilitates marketing.

We urge, therefore, that this committee include an appropriation sufficient to pay the administrative overhead of the program at the Washington level. This, we believe, will establish the program on a sounder basis and encourage broader participation by the industry.

Mr. MARSHALL. Mr. Carpenter, we thank you for your statement and appreciate having you before this committee to give us counsel and advice on problems with which you are familiar.

Mr. ANDERSEN. Mr. Carpenter, were you requested last fall by the Secretary as to your opinion on whether or not price supports should be placed beneath eggs at that time?

Mr. CARPENTER. No, we were not, sir.

Mr. ANDERSEN. You were not taken into consultation.

Mr. CARPENTER. Members of industry, I believe, through his advisory committee, which represents our membership to a degree, were on that committee. I believe it is the policy of the Department, sir, trade association folks either aren't eligible or at least historically have not served on those advisory committees.

Mr. ANDERSEN. You make the statement that prices in 1954 for all classes of poultry and eggs reached disastrously low levels. I agree entirely with you that was the case. When I urged upon the Secretary last fall that some steps at least should be taken toward bolstering the egg market by perhaps draining off 5 percent of the shell-egg production and getting rid of that production by dehydrating those eggs, and sending them abroad to friendly nations, I was met with the response from the Secretary to the effect that industry as such, in the poultry business, did not recommend any support at the time. It seemed to me if that was the opinion of the poultry industry, that they were taking the wrong track, because at that time, had a very small amount of money been judiciously expended in supports, it would have resulted in a considerable number of millions of dollars accuring to the producers through the strengthening of the market.

Mr. CARPENTER. To emphasize that point to a degree, Congressman, we produced last year about 2 percent more eggs than a year ago, and yet the 3 percent decrease caused a shrinkage in the income to farmers of about 26 percent.

In other words, a small surplus can tilt the market either way.

Mr. ANDERSEN. That is correct. A purchase of 5 percent of the egg production would have reversed the market.

Mr. CARPENTER. Fortunately, ours is the kind of industry that is very quickly adjusted, because the cycle of production is very short. While I am not quoting or attempting to, the Advisory Committee urged the Secretary not to step in with artificial supports for fear of the magnet that supports create, which might tend to put a ceiling on prices, thus keeping them from rising to a point which would compensate them for the temporary losses they experienced. I think that is an academic question, sir.

Mr. ANDERSEN. I would say offhand that is a pretty flimsy line of reasoning; but I do appreciate your comments on it, Mr. Carpenter.

Mr. CARPENTER. I think the facts are, you see in this country ours is the type of economy—I'm saying nothing new to you people, I realize that—we are not in favor of wasting food, and everything we produce is consumed, but it must be consumed at a price.

That is to say, the price must be at a level where somebody will buy it so it is consumed. But by the same token we got into the market place in early January. It was quite apparent the pendulum had already started swinging the other way. As a consequence, of course, our markets are in fairly good shape today, certainly compared to what they were the past year.

Mr. ANDERSEN. Thank you, sir.

Mr. CARPENTER. I appreciate the opportunity of being here.

Mr. MARSHALL. Thank you.

TUESDAY, MARCH 8, 1955.

APPROPRIATIONS FOR THE DEPARTMENT OF AGRICULTURE

WITNESS

JOHN BAKER, A REPRESENTATIVE OF THE NATIONAL FARMERS UNION

Mr. MARSHALL. We are pleased to have before us this afternoon a representative of the National Farmers Union organization, John Baker. Will you proceed with your statement?

Mr. BAKER. Gentlemen, we have approached this problem of what to say to you on this appropriations for the Department of Agriculture this year with a great deal of serious-mindedness, and a considerable amount of soul-searching has been discussed this year more among Farmers Union people in different States, county presidents people, district leaders, State presidents, more than any year I can remember before we appeared before this committee.

It hasn't been an easy problem to figure out what to say to you, because we know you have a very difficult problem. And so to say it exactly the way these folks are thinking it, and the way I have heard them tell it to me the last 6, 9, or 10 months, I am going to read this oral statement, Mr. Chairman. It is right straight from the shoulder, but it is what the folks are saying to each other, the Farmers Union members, and farmers generally that I have talked to. We have had close to 2,000, as you know both Mr. Andersen and Mr. Marshall would know, since Christmas have visited Washington. We have had many meetings.

Mr. ANDERSEN. We have enjoyed those meetings, by the way, Mr. Baker. I believe it is a splendid idea to bring to Washington each year groups of farmers who then have the opportunity to watch our Government in operation.

Mr. BAKER. They have been very serious-minded thoughtful meetings.

With your permission, Mr. Marshall, I will just read this.

Mr. MARSHALL. All right.

Mr. BAKER. Feel perfectly free, however, to interrupt at any time any of you want to.

The budget estimates submitted to your committee this year by the administration are grossly inadequate to the need. They reflect a pathological fear of both surpluses and inflation at the same time. They are grounded on 2 years of maladministration and project another year of administrative plans that are not in accordance with the spirit or the letter of the farm laws passed by the Congress.

We are not going to take up the time of your committee to discuss detailed items in the budget before you. The whole conception and basic policies upon which it is based are so far out of line with what National Farmers Union is deeply convinced should be underlying foundation upon a budget for agriculture should be built that we prefer to use the time at our disposal to discuss with you the larger problems.

Your committee is meeting a period of considerable economic slack. The number of unemployed was higher in January 1955 than at the bottom of the 1954 recession in August of last year. Present forecasts indicate a further increase of at least 1 million in the number of unemployed during 1955. This week's U. S. News & World Report indicates the presence of unused plant capacity throughout the economy. Their figures indicate that plant capacity is from 50 to 75 percent greater in different lines than in 1947–49, yet production rates are lower than in 1947–49. That means two things: first, the Nation is building up to a constantly increasing level of chronically unemployed men, plant capacity, and materials; and, second, you both need and can afford to spend more money to build a stronger agriculture than you could in a period of rapid national expansion.

Your problem in this regard is made more difficult by the fact that you are dealing with an administration that is using the so-called gradual approach to knocking down farm prices and income, gradual abolishment of the Federal farm action programs, gradual elimination of Federal grants-in-aid to State regulatory and protective services, and gradual choking off of research performed at Federal establishments. This gradual approach is being promoted and implemented by actions and decisions designed to show up the programs in a bad light to the public and to destroy their popularity with farmers.

The entire approach of the administration to the Department of Agriculture budget appears to have been dominated by a sliding-scale philosophy. Almost every item in it has been subjected to the sliding-scale test; a test that is sliding all of the farm programs out of existence except for agricultural extension and State agricultural experiment stations. In the absence of adequate credit programs, soil conservation programs, and income stabilization programs the major benefit of extension and research programs go to the benefit of processors, brokerage firms, and other middlemen, rather than to farmers. In the absence of price-support programs, farming is a severely competitive industry; gains from improved technology are quickly passed on in lower prices received by farmers. Because of quasi-monopolist elements in the marketing chain these savings are not passed on to consumers.

Sliding-scale philosophy has already reduced realized net income of farm operators by 13 percent in 2 years. Dynamic and progressive cuts in the discretionary support levels of commodity after commodity after commodity has resulted in driving down farm net income from $13.6 billion in 1952 to $11.9 billion in 1954, a drop of $1.7 billion. In 1954 alone these severe drops occurred. From a seasonally adjusted annual rate of $13.5 billion in the first quarter of 1954, farm net income dropped to $11.1 billion in the fourth quarter. The Department expects a further drop in 1955 of at least 5 percent. At this rate farmers are headed for the economic basement, but fast.

The Department has lowered its 1954 farm income figures since part 1 of your hearings was printed. All of the figures based upon income estimates for 1954 in pages 480 to 485 overstate farm net income by approximately 5 percent. As a result they leave a false impression of farmers' prospects in 1955. They very greatly underestimate the drop in farm income from 1952 to 1954. Farm family income actually dropped by 13 percent from 1952 to 1954, not the 8 percent shown by the figures the Department was using only 2 weeks ago.

We hope your committee will require the Department to supply you with the corrected figures so you can print them in a later volume of your hearings. We are concerned because the uncorrected figures leave an entirely false and falsely optimistic picture of the farm economic situation that will be most misleading to Members of the House and to the general public.

We are also deeply concerned because it is quite apparent that the President's budget estimates were bound to have been based upon the overoptimistic figures available at the time the budget was prepared.

Since these corrected figures have become available only within the past week we are concerned that the executive branch has been operating and making decisions ever since last October on the mistaken impression that farm net income in 1954 was bigger than it actually was.

The job of an appropriations committee is relatively easy when the executive branch is trying to do too much too fast. You have a most frustrating responsibility when it is trying to do less than you want it to do, particularly when it apparently wants to do even less than it is doing. In that dilemma you can appropriate the funds but you are relatively helpless in making them spend the funds effectively and in the manner you would like to see them spent.

We know that you cannot do the impossible. We do not expect you to.

In our considered opinion, practically all of the appropriation items are totally inadequate to carry out the kind of farm programs that we are convinced that the present economic state of the Nation and of farming requires and makes possible for the fiscal year just ahead.

Yet we know from watching the results of the past 2 years' operations of farm programs by President Eisenhower and his appointees in the Department of Agriculture, that much of the moneys you have appropriated have been used to discredit farm programs not to carry them out wisely, loyally, and effectively.

We cannot therefore in good conscience recommend to you that you appropriate funds that you know will not be effectively used.

We could approach this problem with a great deal more confidence, Mr. Chairman, if you, or Mr. Andersen, or Mr. Hope, or Mr. Marshall, or someone else who shares your thinking, were the Secretary of Agriculture. But you gentlemen are in Congress and are not in a position to administer the laws you write.

The fine programs of the United States Department of Agriculture, developed through 90 years of bipartisan effort, have with few exceptions been warped during the past 2 years almost beyond recognition. Ever since I was a little boy I grew up thinking of the United States Department of Agriculture as a great fine institution of service and assistance to the common people and to farmers. The advent of sliding-scale thinking and sliding-scale advocates that have invaded those hallowed halls over at the Department of Agriculture has shattered a personal hero of mine in 2 short years.

In our prepared statement we have taken up each of the major appropriation items and described very briefly for each the manner in which we feel it should be administered and the funds that should be used to provide a program of adequate scope to meet the needs within the ability of the Nation to support the program. For each of them we have, also, briefly listed the major weaknesses as we see them in the way the program is now being administered.

For some programs it may be within the power of your committee and the Congress to require improvements. For others, it may not.

We have a great deal of confidence in the judgment, wisdom, and heart of the members of this committee. We know that you will provide adequate funds for the programs that you feel will be administered in a way as to use the funds effectively. In other areas where you know or expect that the Secretary will refuse to use or will misuse the funds, we trust that your judgment will tell you what to do. We do not have a detailed enough understanding of the details to advise you specifically in these matters. We will support your judgment, if you run true to your form of the past 3 years.

We do have a few specific and general comments that we would like to pass along to you at this time in our oral statement.

First, you should not allow appropriations for vocational agricultural education, crop insurance, school lunch, Farmers Home Administration, soil conservation, FACP, marketing and protective services, forest protection, and other action and service programs be robbed to provide additional funds for the State extension services and State experiment stations, as important and significant as those activities are.

Mr. MARSHALL. You will recall this committee does not pass upon funds for vocational education.

Mr. BAKER. Yes. And we have pointed that fact out in our prepared statement. We do urge you, however, to discuss the matter with your colleagues on the full Appropriations Committee, to keep these two fine agricultural education programs in some kind of reasonable balance with each other.

Mr. MARSHALL. Are you aware of any instance where funds have been transferred from vocational education to extension?

Mr. BAKER. No, sir. The Administration last year and the year before, both years, recommended cuts in vocational agricultural education, while recommending increases in the extension service. This year they are again recommending a big increase in extension service, and no increase in vocational agricultural education. We feel these two proposals need to be kept in balance with each other, rather than one of them being given all of the funds and the other one allowed to starve.

On the other hand, we know that you do not want to appropriate funds that will be misused. The bitter truth of the matter, as we see it is the administration has already made so much headway toward ruining and discrediting the farm programs that farmers are getting disgusted.

Look what has been done to the ACP program.

About 2 weeks ago I was in Wisconsin. We had a series of panels on farm programs of farmers. The one gentleman on the panel was told of the experience in his home township where there are 160 farm families. Three years ago 150 of those farm families participated in the ACP program. Two years ago some 90 families participated. A year ago, 45. And under this year's regulations only 15 participated.

The reasons they give are varied. They include a practice No. 12, in the Wisconsin manual, Mr. Marshall. It requires them to pay the full cost. I believe, of 250 tons of 02020 fertilizer, and half the cost of lime, before they can get any payment on lime at all. Nobody can afford, with Benson having cut the price support for dairy products,

they cannot afford to buy any 250 pounds an acre, much less pay half the price of the lime that is spread. That is in the case I believe of vocational taxes? That is one illustration.

I won't explain those unless some other member of the committee is interested.

We understand from reports that we receive that this is not an isolated instance, but this great drop in participation of ACP program is rather widespread, and it is not all due to the Hull amendment, which we hope to get repealed.

I wouldn't dwell at any length at all on the case of Farmers' Home Administration, but Farmers' Home Administration is very rapidly being turned from an agency—Mr. Marshall, when you and I were still working for it 10 years ago, an agency was rehabilitation of people down and out on the farm. It is being turned into purely an emergency loan-type agency, with very little emphasis now being given to the rehabilitation and social aspects of that program.

Mr. MARSHALL. This committee has always expressed a great deal of interest in the Farmers' Home Administration. A year ago we indicated that we felt that supervision was an important part of those loans and questioned the budget request that came up for decreasing those funds. We feel that the stand the committee took at that time has been justified to some extent. They have asked for an increase in administrative money this year for the purpose of carrying on closer supervision of their home-loan program, and I think there has been testimony before this commitee indicating that they have felt that they need more funds for production and subsistence loans than they had before.

I might say the indications are that the money which has been appriated for the past year for production and subsistence, loaned, will be all expended before the end of this fiscal year. So it does indicate that the money that Congress has been appropriating for that particular item is needed.

Now, the manner in which it is being put to use is something that is rather difficult for this committee to determine, but we do know that the funds that have been appropriated are being used.

Mr. BAKER. One indication of the fact they are not doing anything, making any real headway at all on the problem which we had formerly felt Farmers' Home Administration was set up to handle, is the fact that Senator Sparkman and Congressmn Patman have felt it necessary to introduce a completely new set of bills to set up the kind of program that Farmers' Home Administration was supposed to have been established to carry out. The President apparently feels it is going to be necessary for him to come up with an entirely new program to do something about rural property, which would indicate apparently the President also feels the Farmers' Home Administration is not handling the problem of the rural properties, which many of us felt was the job of the Farmers' Home Administration.

Again you can look at what has been done to the farmer committee system: The ban on reelection, refusal to allow farmers to select the ones of their neighbors they want to serve on community committees. The fear, apparently of the democratic process with a little "d," because of this establishment by Department regulation of nominating committees to tell the farmers who they can choose to vote to become

a committeeman in committee elections. The ban that has been set up again by the Department regulations, saying committeemen, the chairman of the committee, can no longer work to operate the program in the county, that he cannot even sell crop-insurance policies, Mr. Andersen, that he cannot sit on review committees, reviewing disputes on acreage allotments and marketing quotas, a limitation on the number of days that the committeemen can work during the year.

Mr. MARSHALL. I think you would be interested in knowing that this committee questioned the Department people when they were here very thoroughly upon those particular things.

Mr. ANDERSEN. That is correct.

Mr. BAKER. We are also concerned in a various number of these States, where the Secretary has appointed completely inexperienced men on the State committees. I know that you gentlemen don't agree with that, either. We feel like the practice of the past ought to be followed before a man becomes a State committeeman he ought to have some good experience on the community committees. For another illustration of this same problem, is the crop-insurance program. The crop-insurance program has been taken away from the committee, as far as the administration and operation is concerned, turned over to strangers, urban insurance companies, on a contract basis. The fellow selling crop-insurance policies don't know a cow from a beanstalk. Administrative costs have already been bloated, certain ones, and I understand from reading the proposed budget for this present year is to load some more administrative costs.

In the case of Durham, the case of the drought there, the crop-insurance program is being pulled out of the areas where it is needed. I don't know, really, if you are not going to have a crop-inurance program in areas of high risk, it is not too much good to have a crop-insurance program at all, because the whole concept of insurance is to cover risk, and if you are going to pull it out of the areas where there is a risk involved, either you are telling these folks that live out there "You ought not be there," or "I don't know just why you have a crop-insurance program," or maybe they say the relief route is the best way to go—the relief route is the best way to go. Wait until the folks get into trouble and have a relief program to bail them out, instead of having a crop-insurance program to handle the thing automatically. These are just some examples, and I don't want to take up the time of the committee to multiply them. There are many other examples.

I do want to say we are deeply concerned over rumors that we hear that the Hoover and Manion commissions are going to recommend that ACP and SCS be abolished. We are not members of either one of those commissions. We have not advised either one of those commissions, and we have not been consulted by either one of those commissions. They don't send us their most recent drafts periodically. We can only go by the rumors that we hear that leak out.

Mr. ANDERSEN. I don't think, Mr. Baker, the Congress will give serious consideration to any such proposal.

Mr. BAKER. We hope the administration will not accept such advice. But we are deeply concerned, since so much has already been done to injure these programs.

We are gratified that the administration apparently has bowed to the will of Congress on REA electrification loans, and this year is

recommending about three times as much as it did last year, an amount approximately equal to the amount approved by Congress for the current year.

But we wonder whether this is a genuine change of heart, in light of the administration's past position on REA loans, its position on other power policies, and the reliable information that has leaked out about the Hoover Commission's plans in respect to REA.

In short, we wonder whether the strategy has shifted from one of starvation to the new approach of reorganization, with the objective of crippling the REA program still the same.

In any even, the funds requested this year are still $85 million short of the needs for new money as currently estimated by the REA co-ops themselves. This is a change in subject, a new paragraph.

We are, of course, still concerned also that the administration apparently intends to refuse a number of large generation-transmission projects, provision for which appears to be missing in the level of loan funds recommended by the President.

These are just examples. There are others.

We are deeply concerned over rumors we hear that the Hoover and Manion committees are going to recommend that ACP and SCS be abolished. We hope that the administration will not accept such advice. But we are concerned, so much has already been done to injure those programs.

We are deeply opposed to Benson sitting on his set-aside and refusing to sell cotton at competitive world prices. With cotton on the sliding scale, the only way that farmers can keep their prices at 90 percent of parity is to undergo severe acreage cuts. Yet, with Benson sitting on the set-aside, every time India, Egypt, or Brazil increases acreage, farmers in Arkansas, Mississippi, or elsewhere must cut their acreage or else watch their prices tumble to the bottom of the sliding scale.

Here are a few specifics we would like to lay before you.

We do not approve the cut in school lunch. Rather, we are recommending that the school lunch program be made available to 60 percent of our schools instead of 30 percent and that the average Federal grant per lunch be increased from 4½ cents to 9 cents. This would require an appropriation of $325 million instead of the $62.5 million.

The Federal crop insurance appropriation should be raised to double the $6 million budget figure, and you should put on a limitation against charging administrative and experimental costs in the premiums charged to farmers.

If that is within your constitutional prerogative, we hope that your committee will approve the $358,000 increase requested for economic marketing research of the type formerly under title II of the Agricultural Marketing and Research Act.

We approve the request for $285,000 to improve the Department's information concerning the production costs and expenditures of farmers. We are inclined to feel that the Department probably is not very conscious of farmers high and rigid cost structure, and little more research money might be a good thing on that item.

Seriously, the statistical series of the Department that go into the parity index need correcting and improvement. These funds will make that improvement possible. This will not affect the parity for-

mula itself, and will not change the method of calculating parity. It will give the Department a better set of figures from which to calculate the parity by whatever formula the Congress should establish from time to time.

We recommend your approval of the increased funds for market news and Federal Warehouse Act administration.

We are opposed to the recommended $220,000 cut in terminal-market inspection of fruits and vegetables, and the recommended $100,000 cut in poultry inspection funds. Briefly, and in summary, we feel that the following sums would be the proper amounts to carry out the following programs on an adequate basis at the needed scope of operations:

ACP: $250 million, an additional $500 million of ACP type funds for diverted acres or a conservation acreage reserve, SCS $100 million. Federal crop insurance, $12 million; flood prevention and watershed protection $25 million, Farmers' Home Administration, for salaries and expenses, $50 million, for loans, approximate 5 times the amounts recommended, for school lunch $325 million, and Farmers Cooperative Service, $810,000; REA electrification loans, $250 million; telephone loans, $200 million.

These are not our recommendations as to what we think you as a committee can or should do. We are going to trust your judgment on that in the light of the earlier statement, these are funds that we think would be adequate to carry out the next fiscal year—REA, electrification loans, $250 million. Telephones, $200 million. ACP, $250 million; an additional $500 million of ACP type funds for diverted acres or a conservation acreage reserve of the type two members of this committee have already introduced in bill form.

SCS, $100 million; Federal crop insurance, $12 million. Flood prevention, and watershed protection, $25 million. Farmers' Home Administration for salaries and expenses, $50 million; for loans approximately 5 times the amounts recommended by the administration.

For school lunch, $325 million, and for Farmers Cooperative Service, $810,000.

I would be happy to attempt to answer any questions you gentlemen have. I would like to request permission, Mr. Chairman, to put these prepared statements in the record.

Mr. MARSHALL. Without objection, the prepared statement will be inserted in the record.

(The information is as follows:)

STATEMENT OF NATIONAL FARMERS' UNION

Bills were enacted during the year 1862 creating the Department of Agriculture, making provision for giving freehold farms of 160 acres each from the public domain to citizens who would make home on them and till the land for 5 years, and authorizing the endowment of State colleges through 11 million acre land grants. This year marked the beginning of an era of enlightenment and progress on the family farms of this Nation.

Following the creation of the Department by some 27 years, the head of the agricultural agency attained Cabinet status. This administrative act was the result of widespread public agitation which has also accounted for many other administrative changes during the 93 years since the authorizing legislation was passed by the Congress.

The Department of Agriculture gradually developed by a process of orderly evolution in response to many acts of the Congress. The work of your committee

through the years has exerted a great influence on just what the agricultural agencies were able to accomplish on United States farms. Not only that, through the funds provided it has been possible in many, many instances for this committee to exert influence on administrative acts and decisions of the Secretary of Agriculture and his staff. That is as it should be.

The duly elected representatives of the people are entitled to review the functions of the Department of Agriculture and to cause them to be changed to more fully meet the desires of farmers and consumers. You have acted in this manner in the past, and without question you will act in a similar manner in the future. This process has involved many administrative and organizational changes, but we submit that most were functional in their time, and most marked progress in the satisfaction of public needs.

In the relatively few instances when the executive branch has supported legislation unpopular with the majority of the United States voters, such legislation has been short lived. This is a vital part of our democracy.

### STRENGTHEN ACTION PROGRAMS

Funds provided by this committee for continuing the functions of the various agencies within the Department of Agriculture will bear a direct relationship to what can be accomplished on United States farms by United States farmers.

There is a problem concerning just how far you as Members of Congress and this committee can go toward influencing the work of the executive branch in the Department of Agriculture. As an example, the Farmers' Home Administration budget for farm ownership loans was cut from a meager $19 million for the 1955 fiscal year to a mere $13 million for the 1956 fiscal year. Will increasing the amount of these loan funds bring about the desired changes in the administration of this program?

Admittedly, it is easier for Congress to withhold funds as a means of influencing administration. But, what does Congress do to promote the administration of the Farmers' Home Administration farm ownership program in the interest of the millions of small farmers in need of such assistance? The argument that the same job can be accomplished with private funds is spurious indeed. Low-cost loans from direct appropriations are needed.

In the instances in the Department of Agriculture budget submitted by the President where it appears that there is a deliberate attempt to weaken an action program that this committee knows is of vital need and concern to family farmers, we in National Farmers' Union strongly urge you to exert your influence on the executive branch by increasing the budget request. As we see it, this is the only way Congress can reverse the trend toward the weakening of the action programs which have functioned to the advantage of family farmers as well as consumers in the past. These problems will be discussed in more detail later in this statement.

The work this committee does each year in setting up the budget requirements of the Department of Agriculture is always of great significance. This year, your work is of even greater significance and difficulty because of the coincidence and continuation of a number of exceptional circumstances.

A great complex combination of monopolistic economic and political forces has continued the efforts begun 2 years ago to wreck the many fine food, fiber, and other programs farmers have fought for and obtained during the twenty-odd years since the disastrous days of the depression.

We realize that the activity of this wrecking crew makes the work of your committee more difficult than would otherwise be the case. But we know that you realize that it puts an even higher premium upon the calm deliberation and statesmanlike actions that have characterized your committee operation.

In 1952 nearly everyone in the United States was producing and enjoying the highest standard of living in our whole history. No other nation, then, or at any time in history, had ever had so comfortable a real income so well distributed among the people. And as great as had been our productive and distributive attainment we had only partially tested our powers; we have never even closely approached the limit of our potentialities.

Economic trends during the half century of Farmers' Union existence, the resources and technological base of our national economy, and the ingenuity and organizing ability of the people indicate that the United States can easily raise its gross production of goods and services by at least 8 percent each year. This expansion would care abundantly for the needs of the increasing population raise per person national income; and allow at least one-sixth of the gross

national product to be used in expanding social and cultural services at home and overseas investments in international economic and social development. The facts that confront us are such that if we do not take advantage of the favorable opportunity we have, we shall lose even a great deal of what we now have.

Far from bankrupting our Nation, adequate appropriations for the Nation's food, fiber, and farm programs are absolutely essential to maintain an expanding economy, high level employment, and strong purchasing power in this country. Failure to support these programs adequately will be a refusal to do all we can to insure the well-being of farm families and the Nation's future food and fiber supply. A miserly appropriation would also be a dangerous step toward deflation, falling farm prices, increasing farm foreclosures, more business failures, less than capacity production, and growing unemployment such as the Nation experienced in the period from 1929 to 1932.

Trends since 1952 lead us to wonder if we're headed toward another 1932. Even during the present "revival" unemployment is increasing and farm incomes continue to fall.

EXTRA EFFORT AHEAD FOR INDEFINITE PERIOD

The trend of world events has thrust upon the United States the responsibilities of world leadership. Our peaceful existence is dangerously threatened by a militantly aggressive totalitarian philosophy and governmental complex. It seeks to turn to its own despotic ends all the misfortunes, misery, and turmoil of the world. To meet this threat our Nation has had to embark upon a vast mobilization program. In cooperation with the other freedom-loving nations we hope to correct injustice, meet military aggression, and help to build a better world. While preserving peace we must further economic, social, and political progress not only in other nations but here in the United States.

This is a difficult job—one that requires us to put out unusual national efforts—the forced draft of partial mobilization. We must keep up these extraordinary efforts for as long as misery or injustice in the world continue to stimulate the present threat of world peace.

Gentlemen, unless we are reading the signs wrong, the period of stress that faces us could well be a long, long time. Our Nation has probably embarked upon a three-generation mobilization effort by which, if we succeed, we shall preserve peace and greatly expand prosperity and democracy, both at home and overseas.

FAMILY FARMING, BULWARK OF DEMOCRACY

The basic ideals and traditions of American life had their beginnings and drew their strength from the family farm of our pioneer ancestors.

Family farming, where the economic functions of owning, managing, and working all reside in the same people, is still the strong balancing force in our society that helps to preserve the sanctity of private property and freedom of contract. Family farming and other small businesses perform an important function in protecting our society from the dangers of unrequited economic group conflict and the importation of foreign ideologies.

American family farmers have always taken a practical functional approach to their relationship with government. Farmers generally, as distinct from some of their so-called leaders these days have not been wont to endorse or embrace any doctrinaire or monolithic attitude toward Government activities. Our farmers have usually looked on government as not all good nor all bad but rather as an essential part of a democratic society to be used to perform functions, democratically decided upon, that the people feel can better be performed by government than in any other way.

This is a major reason why the Federal farm program has not developed along a socialistic pattern. Rather, United States farm programs have been designed to help liberty loving individual farmer-citizen families to help themselves. That has been the pattern through the years. That has been an outstanding characteristic of the programs that have come along during the past 20 years.

Running through all of these enactments is one underlying theme: protection of or assistance to farm families in meeting and overcoming natural or economic hazards with which the individual farm family is incapable of successfully coping alone.

The basic purpose has been to preserve and strengthen the private family-farm system, not to further some theoretical economic, political, or theological doctrine that overlooks practical needs and commonsense adjustments.

Farmers, by and large, have felt that as long as the people control the Government through democratic processes, they need not fear calling upon the government to do any job that they can best get done that way.

There has been a considerable amount of hysterical clamor by some so-called farm leaders over the last several years. We have heard and will continue to hear some of our most important farm programs criticized or in some way destroying the moral fiber of farm people. Some will suggest the abolition or drastic curtailment of some of the farm programs in the interest of some such intangible doctrine of false economy. Such misguided attacks on the farm programs are, in effect, an attack upon the democratic system itself, upon the American way of life, if you please, and upon family farming, which is such a strong bulwark of practical, truly conservative democracy.

AGRICULTURAL CONSERVATION PROGRAM

*An adequate program*

The growth of our economy in the next 25 years will call for expanded agricultural production. As already indicated, an expanding United States economy coupled with the most rapid growth in population in this century will mean that by 1975 our food and fiber requirements will approximate a one-third increase. Practically all of this extra production will have to come from land now in farms. Our agricultural conservation program should be designed to assure that we can get our requirements from the land now in cultivation or other agricultural use. Any additional land developed through irrigation or otherwise then would provide a safety margin from which food and fiber could be stockpiled, exported, or used to promote more rapid economic development in the underdeveloped areas of the free world.

Serious study needs to be given to the present rate of adoption of improved soil and water management practices. The adequacy of the agricultural conservation program should be measured by estimating the time required to reach the goal of a permanently productive agriculture. Witnesses before this committee in the past have said such a goal is 120 years away. This is an indication of the need for appropriations to really get about the development of an adequate agricultural conservation program.

*Appropriation needed for an adequate program, $750,000,000*

At least $250 million should be available for the continuation on an expanded scale of the ACP program land in commercial production and $500 million to finance a conservation acreage reserve on diverted acres.

*Inadequacies of existing program*

The President has recommended a $20 million cut in the forward authorization of the agricultural-conservation program. Funds to encourage conservation with incentive on diverted acres could be most effectively used to build a soil bank for the Nation to be used when needed. But none have been provided. These inadequacies will be brought home to our future generations in the form of food shortages unless we get about the job of maintaining and increasing soil fertility in a really effective way.

The administration of the ACP program has been such as to discourage farmers from participating. There has been needless redtape in addition to drastically curtailed benefits. Combined, these deliberate efforts to sabotage the ACP program have caused great numbers of farmers to quit the program in disgust.

National Farmers' Union is more conscious every day of the accuracy of the Wall Street Journal's report on the Benson plan for agriculture. The program described by the Journal proposed to eventually cut out completely the action farm programs such as the ACP. Other programs to be discussed herein are not excluded. Farmer-controlled, farmer-run programs are being crippled. In their place, the Extension Service is being transformed and extended beyond its educational role to become a top-down controlled vehicle for carrying out policies promulgated in all too many instances by nonfarmer elements. We submit that education cannot take the place of direct Federal aid under the ACP program.

SOIL CONSERVATION SERVICE

*An adequate program*

The ACP program and the Soil Conservation Service are mutually complementary. Both programs are needed if we are to speed up the process whereby there is equality between soil fertility drain and soil fertility input. Our target should be to reach this necessary balance within a period of 20 years, not 120.

*Appropriation needed for an adequate program*

If the Soil Conservation Service is to meet the needs for its services in terms of what National Farmers' Union thinks is necessary, there ought to be made available this year $100 million. This is in contrast to the $55.3 million asked for by the President. The Senate and the House provided $71.5 million for the Soil Conservation Service in 1954 as a result of compromise action. The President's budget submitted for 1955 proposed a $5.4 million cut. The President's budget submitted for 1956 proposes a $16.2 million cut over the amount appropriated by Congress for 1954. If there is any assurance that the funds will be faithfully and effectively used, this committee ought to reverse this crippling trend.

*Inadequacies of the existing program*

Anytime an agency like the Soil Conservation Service gets a budget cut, the result is obvious. There is a proportionate share of farmers left out. Farmers have been hard hit to make funds available to carry out SCS farm plans because of falling income. However, this is no justification to cut SCS. Plans developed are basically long range and can be developed for use when farmers' prices will be supported through an adequate price-support program. SCS has suffered by loss of its regional offices and the panels of skilled technicians.

CROP INSURANCE

*An adequate program*

National Farmers' Union feels that Federal crop insurance should be available to every farmer in every county in the United States. We insist, however, that this program be expanded on a sound basis. In this connection, we feel that it is essential to the sound development of the program to spread the risks more widely. This can be accomplished by insuring more farmers in more counties with the ultimate objection being to make it available to all.

APPROPRIATIONS NEED FOR AN ADEQUATE EXPANDED PROGRAM IN 1956: $12 MILLION

*Inadequacies of existing program*

The crop insurance program has proven to be an effective program to protect farmers from hazards and risks. Everyone accepts the fact that farming is among the most hazardous of all enterprises. Yet the program as administered is being retarded, folded in and folded up.

The President recommended only $5.7 million for 1955. Congress upped the amount to $6.2 million which has at least kept the program functioning in most of the areas where it had been. The President has recommended an increase in the program for 1956 ($7 million). However, this appropriation will not permit expansion unless administrative costs are added to premiums.

The crop insurance program has been administered so as to absorb administrative expenses from premium income and further absorption is recommended. We do not see how such a procedure can be justified. The crop insurance program in the past has saved farmers in many areas and, in doing so, complete business communities viewed in this light, National Farmers' Union thinks the Congress has a mandate to see that administrative funds are provided and used.

This year, durum wheat producers not insured under the program last year were precluded from buying insurance. Admittedly, the crop involved certain well-known hazards but it is to protect themselves from such hazards as 15-B rust that farmers buy crop insurance.

The possibilities of continued drought over a large part of the United States is another reason why the crop insurance program needs increased appropriations. Yet the administration is pulling out of drought areas.

FLOOD PREVENTION AND WATERSHED PROTECTION

*An adequate program*

Requirements for timber, rural and wilderness recreation areas, and water for municipalities and industries will increase sharply as the population grows.

Watershed and flood control programs must be expanded to assure that such requirements will be met.

*Appropriation needed for an adequate program, $25 million*

The President has asked for an increase over the amount appropriated last year but National Farmers Union thinks that this work should be expanded even more

rapidly. Local interest in such work has never been greater as evidenced by the participants at the recent National Watershed Congress.

Much of this work in the past has been loaded upon local communities which had the interest and desire to accomplish something worthwhile and permanent. Lack of progress has been due to lack of funds. Increased Federal assistance will solve the major problems in getting about the job of watershed and flood protection. With unemployment rolls expected to increase by a million workers in 1955, what better time than now to attend to reduce watershed protection work.

RURAL ELECTRIFICATION ADMINISTRATION

*An adequate program*

To protect the vital national interest in rural electrification as much as to protect the farmers' interest in it, we must provide fully adequate funds to meet the following requirements:

1. Full, equal, and immediate participation by REA co-ops in atom-electric power development.

2. Enlarger power supplies. The need for electricity of farmers is doubling every 4 years. Power producing capacity must be expanded aggressively to meet it.

3. Low rates for wholesale power. The remaining unelectrified farms are in "thin" territory, and only the utmost economy in operations can make it possible to extend service to those farms. REA cooperatives generally are operating in relatively unprofitable areas—which the commercial companies refused to serve under any conditions in the recent past. And maximum utilization of electricity in farm production by farmers will require the promotional incentives of low rates for energy. These situations make it imperative that energy be available to cooperatives at the lowest possible cost.

4. Effective "bargaining power" for cooperatives in dealing with wholesale power suppliers. Full freedom of the REA co-ops to borrow funds for building their own generation and transmission facilities whenever the farmers determine it is to their advantage is indispensable to maintaining an effective bargaining position in negotiations for wholesale power at competitive rates.

5. Adequate capital for increasing co-op system capacity on a rational economical basis. Increased use of power by farmers makes system improvements mandatory. If a shortage of REA loan funds restricts this program to a short-sighted, makeshift level of system expansion, it will result in higher costs in the long run. It is far better and cheaper to do the job right once than to be forced to do it over 2 or 3 times in a decade. There has already been far too much of the "too little and too late" practice followed in providing for expanded capacity of cooperative generation, transmission, and distribution systems, and it is costing farmers more than it should in the long run.

6. Adequate capital to permit electrification of remaining unserved farms as fast as the organizational, and construction jobs can be accomplished.

The REA cooperatives themselves, according to information we have received from their national association, estimate they will need $252 million in new loan funds in fiscal year 1956. We are recommending that Congress authorize no less than that full amount.

*Appropriation needed for an adequate program*

At this point it bears noting that REA loans will be repaid in full. They do not represent an "expense" to taxpayers. REA's outstanding record for financial integrity removes all grounds for doubt on that score. Reducing the amount of loan funds available does not represent a saving—but merely an enforced deferral of essential investment. There can be no justification from the economy standpoint for Congress to refuse to authorize the full amount that the REA cooperatives will need.

We commend the Congress for its action last year by which the total amount recommended by the budget message for new loan authorizations for REA were almost tripled, from only $55 million to $170 million. Congress has demonstrated its confidence in the REA program 2 years in a row by greatly increasing the amounts recommended by the administration. We are happy to observe that this year, the pro-utility forces within the administration have apparently been taught that Congress will not tolerate attempts to starve the REA program to death, and that the total adminisration recommendation for 1956 is almost as great as the amount approved by Congress for the current year. The administration figure should be raised in accordance with the co-ops estimates of their needs to provide funds for generation and transmission projects which the budget figure indicates, the administration apparently intends to reject.

This evidence of improved reasonableness by the administration should not, however, incline the Congress to rest on its oars from its alert responsiveness to the needs of rural electrifications. REA loans are a splendid investment for the public to make, and the full amount which the co-ops believe they need for efficient growth should be made available. We should like to emphasize that these are, in the first place, merely authorizations. No money is committed until the co-ops can present economically feasible and adequately secured projects to the administration. And no money is advanced until actually needed for paying construction bills. If the Congress should overshoot the mark a little bit, it will result in no extra cost to the Government in any way. But if you undershoot the real needs of the co-ops, the result will be waste, inefficiency, and delay preventing the orderly expansion of the co-ops.

The matter of giving the REA cooperatives equal access to atomic energy for electric power is mainly outside the jurisdiction of this subcommittee. However, it is essential that funds for atomic energy investigations on behalf of the co-ops be provided to REA to enable the agency to employ competent atomic energy experts, who can, on behalf of the REA's borrowers, keep abreast of developments in this field. Funds should be earmarked for this purpose, and the Administrator should be directed to use them in an aggressive effort to keep the interests of REA borrowers in atomic energy fully protected.

We do not believe special loan funds should be authorized for atom-electric power experimental plants. Rather, we believe that such projects as soon as feasible should be authorized from regular loans funds, with capital outlays in excess of the requirements for conventional plants, if any, provided by direct Government subsidy on a scale commensurate with subsidies both direct and indirect that are being made available to private utilities. These subsidies, of course, arise under different sections of the appropriations bill, and provision for the needs of REA co-ops should be made by this Congress both in legislation and appropriations affecting the atomic energy program.

We feel also that there is no justification for imposing a slowdown in the progress of extending rural telephone service. The rate at which loan applications are being received indicates that the $200 million we have recommended for this program will be an absolute minimum. However, we believe that the program-level we are recommending is a reasonable and conservative estimate of what can be achieved if the Administrator will make a determined effort to expand the telephone loan operation to a point where it can, within a reasonably short period of years, achieve substantial completion of the job of extending modern phone service to all American farm homes.

In connection with the telephone program, it is our observation that it has never been developed to the point of serving as an effective yardstick for rates and service. On the contrary, the emphasis is entirely the other way—to limit the REA telephone program to those areas which are not competitive with existing companies. We believe this emphasis should be reversed, and that a hard-hitting telephone loan program and cooperative promotion should be undertaken to introduce real competition into this monopolized field. Lower rates and better service for all rural telephone users—as a result of hard-hitting, soundly-organized, and vigorously competitive telephone co-ops—should be made a primary objective of the program, as well as the objective of extending telephone service in areas where profit companies are unwilling to go.

Our observations and reports in the press, including the Wall Street Journal, indicate that the telephone program is being allowed to wither away for lack of aggressive promotion by the administration. We recommend that your committee direct the Administrator to undertake a vigorous program of promoting telephone cooperatives on a scale which can serve as effective yardstick projects.

*Inadequacies of the existing program*

It is appropriate at this point to direct the committee's attention to the proutility policy of the administration's top spokesmen. Continued moves favoring private power companies over local public and cooperative electrification program can wreck REA co-ops and make completely inadequate the Government's low cost power yardstick project.

It is evident that under the policies of the administration that the power companies will increase their already strong mononoly position, and that local public and co-op systems will be forced into greater dependence on the private companies. It is also evident that the administration's proutility policy will result in higher rates for consumers and nonprofit wholesale customers, and in higher profits for the utilities.

There are many other instances where the administration's proprivate electric utility policies are evident, the most notorious of which is the Dixon-Yates contract.

For anyone desiring to further pursue the matter of how administration power policies weaken the REA cooperatives, I am listing issues of the National Farmers Union newsletter which provide additional information:

REA Co-ops Close Ranks at National Convention, January 22, 1954, pages 1–3.

Administration Power Officials Insist Proutility Policy Won't Hurt Co-ops, February 12, 1954, pages 3–4.

REA Head Gets Signals Switched, February 12, 1954, pages 1–2.

Hoover's Plan To Favor Utilities Moves Ahead, February 26, 1954, page 3.

Governor Dewey Smears REA Co-ops as "Red", March 19, 1954, page 4.

Nelsen Yields To Pressure, April 2, 1954, page 4.

Charge McKay Acted Illegally in Voiding Contract With Co-op, April 16, 1954, page 4.

Fight for Life of Southwestern REA Co-ops, May 14, 1954, page 2.

Farmers Union and REA Co-ops Oppose Atomic Energy "Giveaway", May 21, 1954, page 4.

Private Power Monopoly Shaken by Sensational Charges, September 24, 1954, page 2.

Senate Probe Exposes Plotting by Government and Utility to Wreck Co-op, October 8, 1954, page 3.

Power Monopoly Evils Exposed by Langer Subcommittee, October 29, 1954, page 1.

Nelsen Praises "Death Sentence" Power Contract, December 10, 1954, page 2.

Most REA Co-ops Could Cut Power Cost in Half With Atom, December 30, 1954, page 1.

REA's Shut Out From Atomic Power Subsidies, January 21, 1955, page 4.

Utility Monopoly Scandal Looms, Senators Warn, January 28, 1955, page 1.

British Pull Ahead of United States on Atom-electricity, February 18, 1955, page 2.

Hoover Group Asks Abolition of REA, February 18, 1955, page 1.

FARMERS' HOME ADMINISTRATION

*An adequate program*

National Farmers Union has studied over a number of years the credit problems of family farmers. It is in this area where we find ourselves in greatest disagreement with the President's budget, and with administrative procedures.

Emphasis in the FHA has been shifting to emergency-type credit for the larger established farmers, not the vitally needed programs of rehabilitation for the large segment of farmers who are trying with every resource at their command to become successfully established. Beginning farmers make up a large number of this group. It is this struggling young farmer group from which we must clear our family farmer replacements.

The neglect of many of the small farmers has been deliberate and is a part of the program in effect for the past 2 years to apply the economic bulldozer to what is described as "too many farmers."

National Farmers Union believes that the FHA, farm ownership and production and subsistence programs could be greatly expanded in the interest of all of the United States citizenry.

Interest rates on loans should be reduced. If that cannot be accomplished using private funds, then direct Federal funds should be made available. There is complete justification for making direct funds available for lending at whatever the interest cost is to the United States Government. We object to farmers who can't get credit from private sources paying interest rates charged by the same private sources. The emphasis here is to aid bankers, not farmers.

The type of program that is needed has been included in the family farm development bills introduced by Senator Sparkman and Congressman Patman. FHA already has authority to help carry out this work. All it needs is the will and the funds.

*Appropriation needed for an adequate program*

| | |
|---|---|
| Farm ownership loans | $275,000,000 |
| Farm housing loans | 33,000,000 |
| Production and subsistence loans | 275,000,000 |
| Soil and water conservation loans | 15,000,000 |

*Inadequacies of existing program*

In attempting to describe an adequate FHA program, we have cited some of the inadequacies. In addition, National Farmers' Union supports the restoration of the housing program. For the FHA to have a balanced lending program, it is imperative that they continue to make available housing loans. Direct funds for this purpose were authorized last year but none were requested by the Department of Agriculture. The administration proposes to meet farmers' needs through higher-interest loans from private sources.

Supervisory personnel at the State level have been cut 40–60 percent. This has resulted in loading additional responsibility and work on already overloaded county supervisors. This extra responsibility and additional work has resulted in unwieldy and almost impossible administration at the local level even for the best qualified. More administrative funds are needed to correct this situation. Even the administration is beginning to recognize the problem and has requested additional funds. But it is still inadequate.

NATIONAL SCHOOL-LUNCH PROGRAM

*An adequate program*

We assert flatly that the health and future stamina of today's schoolchildren is of greatest importance in national strength and well-being.

All United States schoolchildren should have milk as a part of their school lunch.

Appropriation needed for adequate program:

| | |
|---|---|
| Fluid-milk program | $100,000,000 |
| Regular school-lunch program | 325,000,000 |

*Inadequacies in existing program*

National Farmers' Union strongly urges this committee to correct the inadequacies existing in the school-lunch program by increasing appropriations to $325 million. Only about 30 percent of the Nation's schools are now participating. The recommended appropriation would extend this program to 60 percent of the Nation's schools and would make possible an increase in Federal contribution from 4½ cents to 9 cents.

The President's budget, the same as last year, proposed to cut the regular school-lunch program by $15.5 million. The Congress last year restored the school-lunch appropriation to $83.5 million, about the amount appropriated for 1954. Needs of schoolchildren have increased during the past several years, not decreased. Therefore, the amount appropriated should be realistic. A substantial increase in funds is needed each year just to stand still. The administration, however, wants to turn back the clock on our increasing number of schoolchildren. Nothing could be more shortsighted and foolhardy than to cut the Nation's expenditure for hot school lunches and milk. On the other hand there is every justification for appropriation in the amount recommended above.

EXTENSION SERVICE

*An adequate program*

The Extension Service should continue its activities in the field of education which have been so effective in the past. Its primary responsibility has always been educational and its activities along this line should be continued and expanded. Emphasis should be continued in an expanded way on such programs as keeping family farmers informed about new practices and methods of farm production, marketing, and homemaking, encouraging both health and nutrition and sanitary standards and promoting greater understanding of farmers' problems among consumers.

Attention should be directed also to problems of low-income families who in many areas make up the group most in need of extension services.

Public study and discussion of broad agricultural problems should be continued on an expanded basis.

APPROPRIATIONS NEEDED FOR AN ADEQUATE PROGRAM: $49,300,000

*Inadequacies in existing program*

Farmers' Union has become increasingly aware of the overlapping between the 4–H Clubs sponsored by the State extension services and the Future Farmers of America and the Future Homemakers of America sponsored by the vocational-

education people. The FFA and FHA are the outgrowth and a part of the regular public-school program. Because of the fact, it seems logical that the job of providing vocational education for farm boys and girls who are in school should go to vocational-agricultural and home economics teachers. The job of general adult education should be assigned to the extension services.

To say that the overlap is needed because there are not enough vocational-agriculture and home-economics teachers in our schools is no answer to this problem, in our opinion. In this connection, we should like to call your attention to the fact that the President's budget asks for a $6.7 million increase over last year's Extension Service budget of $42.8 million. The vocational-education appropriation for the 1955 fiscal year, including the $5 million added by the Congress, amounted to $23.5 million. The President's budget requests only $23.7 for the 1956 fiscal year.

National Farmers Union is supporting the increase in the Extension Service budget. However, we raise the question with the members of this committee as to whether we should not maintain some kind of balance between the two programs until some decision is reached concerning the area of overlap.

We recognize full well that this committee does not have jurisdiction over the budget for vocational agriculture. For your information, however, we are supporting an increase of $5.5 million in the vocational education appropriation. Such an increase would provide for vocational education the full authorization of $29 million.

It is unfortunate, we are convinced, that your committee does not have jurisdiction over the appropriation of funds for the important vocational agriculture and homemaking education programs administered by the Department of Health, Education, and Welfare. However, it may be that members of this subcommittee will wish to discuss this matter with their Appropriation Committee colleagues on the HEW Subcommittee.

It has been called to the attention of Farmers Union that some adjustments have been made or are being made in connection with the Extension Service program for young farmers. You will recall that last year we called attention to the fact that Farmers Union members start carrying full responsibility on farms long before they reach 30 years of age.

We pointed out last year that it is unnecessary to have one kind of program for young people 18 to 30 and another kind of program for adults.

These young families need not only to learn the more efficient and effective farm- and home-management techniques (older farmers and their wives do, too) but also they need to become integrated into their rural neighborhoods and communities, a process which is discouraged when a nationwide educational agency such as the Extension Service goes about setting up a separate movement and activity in every rural county for farm people of a special age group.

We have mentioned earlier in this statement the Extension Service plan which was called farm kibitzing by the Wall Street Journal. National Farmers Union is strongly opposed to the shift which would heavily weigh on an educational agency like the Extension Service the work of the action agencies in the Department of Agriculture. Such a shift, bypassing farmer-controlled, farmer-run programs, would preclude farmers and the public from exercising a democratic influence over policies concerning prices, interest rates and credit terms, and other economic factors.

Little has been heard of the top-down administrative proposal for some time. We hope the opposition stemming from many sources will not be soon forgotten by its proponents.

## FOREST SERVICE

*An adequate program*

National Farmers Union favors an immediate program intensifying and expanding State-Federal programs of protection and improvement of privately owned range and forest land.

With the requirement for timber increasing, greater scope programs of reforestation and revegetation are needed.

More attention should be given to management of forests from the standpoint of conservation. More appropriations are needed for this purpose as well as the construction and maintenance of timber access roads in national forests. Additional funds should be appropriated to initiate timber and lumber-market news and statistical reports.

Appropriations needed for an adequate program:

| | |
|---|---|
| Forest Service (other than roads and trails) | $65,000,000 |
| Roads and trails | 25,000,000 |

*Inadequacies of the existing program*

We urge that there be an increase of funds to be used in furthering the Federal-States program in forest management, research, forest-tree plantings, and fire control.

FOREIGN AGRICULTURAL SERVICE

*An adequate program*

For too long we have been thinking of the FAS budget merely in terms of marketing-news reporting, reporting on the foreign market, and foreign competition for our agricultural products. That's still important—particularly in view of the growing regulations throughout the world that make it impossible for our people to buy and sell abroad as they did in past years. But that market news work is less than half the job. We have to start thinking of the needs of the total United States Government for foreign agricultural intelligence. That's the job of Foreign Agricultural Service and it's a job that isn't being done. This failure could have tragic consequences. And, unfortunately, each of the last 2 years has seen greater emphasis on peddling and less on area development.

Let me explain what I mean.

We start with the sobering—and only partially understood—fact of our world leadership.

Second, the crucial—and again only partially understood—cold war.

We have recognized both facts by large foreign-aid appropriations, huge sums for our own military, and a sizable amount for the Voice of America.

Next we face the fact that the people whose minds constitute the battleground in the cold war are mostly farmers. Two-thirds of the world's people are farmers. In the less well-developed countries, 80 to 90 percent of the people are farmers. Those are the people we must reach or the struggle for a peaceful and prosperous world is lost.

Those farmers are the ones who must be reached by the Voice of America.

They are the ones who must be reached by point 4.

They are the ones whose morale will determine the fighting quality—the will to resistance—of those nations.

They are the ones who must produce most of the food if we are to win the battle against hunger and the cold war.

Now, what do we know about these farm people, about their agriculture, about the food needs of their nations, about their food potential in case of war?

As you know, our information comes in from our agricultural attachés and other economic officers doing agricultural reporting.

The FAS Commodity Branch has divisions working on cotton, tobacco, wheat, rice, and on down the line of the principal crops. They do the majority of the market-news work. The commodity part of the work has not been neglected so badly as the farm family or countryside.

Of course, this commodities work needs strengthening for it is very much involved in the agricultural intelligence. But for emphasis, let me concentrate on the part of the work that is concerned with the problems of farm families in other countries.

This Branch is supposed to cover the agriculture of each country of the world. There are divisions for major areas such as Western Europe, the Middle East, Asia, Latin America, and so on.

These divisions should be fully staffed by specialists who know the agriculture of the various countries and who follow all major developments affecting farm families.

If we are to begin to assume our world leadership, we must have a few well-trained people doing such work for each of the major areas of the world.

We recommend that the committee take a fresh look at this appropriation and find out what it would actually take to do the job which is required to get the basic foreign agricultural intelligence work we need. It will not be expensive. We think that a good start could be made with a million dollars. But if we don't face up to this problem, we will be guilty of gross negligence.

This would make the total FAS item about $4 million including the costs of agricultural attachés.

*Inadequacies of the existing program*

There are still a number of administrative improvements needed in the FAS. The one to to which I particularly want to call your attention is the apparent playing down by newly acquired agricultural attachés of social reforms needed in underdevelopment areas. National Farmers Union approves of the idea of

selling United States farm commodities abroad but feels strongly that agricultural attachés ought not to neglect to take a hand in promoting such things as land reform in those areas where we are trying to overcome the cold-war tactics of the Communists.

While we support the appropriation of additional funds to establish a truly significant foreign agricultural service, we hope that the increased funds will not be frittered away in fruitless forays of a so-called trade promotion and foreign advertising nature. Such actions do little, if anything in our opinion, to increase the exports of United States farm commodities and are largely a waste of funds.

FEDERAL AGRICULTURAL RESEARCH

*An adequate program*

We are impressed, and know that you must be too, by the high-quality work being conducted. We are even more impressed by the stepped up tempo of farmers' needs for ever improving technology if increased production is to fill the needs of increased population in the years ahead. Moreover, the currently very high and economically inflexible farm cash-production costs beg for research results to lower production work per unit. Only research can give us better methods—experience with atomic research and certain diseases has demonstrated that magnitude and certainty of results in research is a direct result of the quantity of resources and the quality and determination of leadership that is put into it.

In this connection it should be pointed out that in the absence of a fully effective and adequate farm-price support program, the full benefits of agricultural research accrue, not to farmers and their families, but to the general population. The reason for this has no doubt been explained to your committee in better fashion than I can by the economists and other officials of the Agricultural Research Service. Suffice it to say here, the primary reason is grounded in the truly competitive nature of our farm industry. Farmers who adopt improved practices developed by research and popularized by extension and vocational education are not protected in their returns by patents or trade-marks.

We think the expenditure of these research and educational funds is fully justified in the general public interest, but in an accounting sense the costs should not be charged against farmers and farm programs. I mention this, not to depreciate the great importance of research, but to keep the record straight as to who are the beneficiaries of research expenditures.

We specifically support the increased funds requested for improving market news and agricultural economics research. We understand that the requested increase of $285,000 in the latter will be used to obtain a better knowledge of farmers cost of production and cost of living items.

National Farmers Union opposes any cut in research carried on by the Bureau of Nutrition and Home Economics. Farmers' wives are entitled to all the research information possible concerning clothing, textile, and home equipment in this era of high costs and rapidly declining farm income.

APPROPRIATIONS NEEDED FOR AN ADEQUATE PROGRAM: $37,700,000

*Inadequacies of existing program*

The New York Times, Sunday, March 6, 1955, carried a special news item by Bess Furman which implied that the House Appropriation Committee has already approved a cut in research activities of the Bureau of Human Nutrition and Home Economics. According to the news items the units cut out were doing work in the fields of clothing, household textiles and equipment. Very frankly, we find it very difficult to understand why increased appropriations for educational agencies such as the Extension Service are proposed without funds providing for a continued flow of information based on research in the areas such as clothing, textile, and equipment.

We strongly urge this committee to include in the bill required funds for the continuation of the research units eliminated.

REGULATORY, PROTECTIVE, AND MARKETING SERVICE

*An adequate program*

The activities carried out under authority of the Marketing Service appropriation contribute immeasurably to the maintenance of an orderly system of

marketing farm commodities. Only an impartial agency such as the United States Department of Agriculture can be relied upon for collecting and disseminating dependable market data on supply, demand, movement, and prices of agricultural commodities; for establishing standards of equality and for the accurate application of these standards in grading commodities; for representing farmers' interests in freight rate cases; and for protecting farmers from financial loss or personal injury which might result from deceptive, careless, and fraudulent marketing practices.

You are familiar also with the important work of stamping out white pine blister rust, and stopping the outbreak and spread of other forest, crop, and livestock pests and diseases. Many of these are programs not of primary interest to farmers but to the whole people on a nationwide basis. This should be obvious in respect to such services as, for example, meat inspection.

Congress increased regulatory, protective, and marketing services to the program last year about $5 million over the administration recommendations. The programs carried on warrant, as a minimum, as much as was appropriated last year.

APPROPRIATION NEEDED FOR AN ADEQUATE PROGRAM, $45,500,000

The appropriation for terminal market inspection of fruits and vegetables should not be cut. The $220,000 cut recommended by President Eisenhower should be restored. The raising of inspection fees from $9 to $12 per car is not the most important factor. More important even is the principle of Federal supervision for protection of the grower and shipper.

The recommended $100,000 cut in funds for poultry inspection should be restored. The Government representing all the people ought to be willing and should pay the costs of supervising this program.

Increased funds should be provided for administration of the Warehousing Act, else the program may fall of its own weight.

FARMER COOPERATIVE SERVICE

We recommend that the direct funds made available to this agency be doubled with the understanding that the increased funds will enable the Service to increase its management consultantship advisory service to farmers' cooperatives.

We have been impressed recently for example with a bulletin on business research department in farmers supply cooperatives. Most farmers' cooperatives do not but probably should have such departments. With expanded funds this Service could assist cooperative management to set up their own business research departments.

REMOVAL OF AGRICULTURAL SURPLUSES

We urge your approval of a continuation of the permanent indefinite appropriation of custom's receipts for this purpose as authorized by section 32 of the Agricultural Adjustment Act of 1935. We have consistently opposed and will continue to oppose all efforts to repeal this desirable legislation. In this connection, the maximum in section 32 funds be provided the Commodity Credit Corporation for promoting the sale of agricultural commodities on the world market at competitive prices. We feel that when abundant United States farm production, in the form of CCC stocks, is utilized for stockpiling reserves, for domestic distribution programs, and for foreign sales, barter, and donations, the costs should be paid by the agencies and functions supported thereby—the costs of such uses of food should not be charged against farmers on the farm programs.

INTERNATIONAL WHEAT AGREEMENT

Farmers Union supported the original proposal for the International Wheat Agreement. We urge approval of the appropriation required to reimburse Commodity Credit Corporation for funds advanced to carry out our national commitments under this international agreement.

SUGAR ACT

We favor appropriation of funds required to carry out the Sugar Act program. We think this is a good program, the principles of which should be extended to all other farm commodities, in appropriate ways through the price-support laws.

Mr. BAKER. I tried to say in the oral statement we recognize the problem you gentlemen are faced with. We are going to support you with whatever judgment you come out with, because, we know in the past your problem—your judgment has been sound.

Mr. MARSHALL. We certainly appreciate your expression of confidence in our ability. This committee has tried to look at the agricultural programs in a fair way, regardless of any party affiliations. We have been the committee which has been a bipartisan committee in every respect. We have had splendid working relationships within the committee, and I have no reason to believe our relationships are going to be any different this year than they have been in the past. We do appreciate the expression of support.

It is something that has been unusual. It is rare that people come before this committee not knowing in advance what this committee is going to do and suggest that they would be willing to support them. We appreciate that.

Mr. BAKER. Mr. Chairman, on that point, since you have underlined it, I am constrained to say that we know what four members of this committee do from what they have done in a number of years past. We know what your thinking is, and we trust it. We also know of the past work and the thinking of both Mr. Deane and Mr. Natcher.

We know they have the best interest of the Nation and agriculture at heart, and they are both intelligent men and we trust them to work out the proper Solomon-like decisions that you folks have got to make this year on some of these items.

You have got to weigh some very critical matters that we know you are going to come out as near to the right answer as human beings could under the situation.

Mr. MARSHALL. Mr. Natcher, any questions?

Mr. NATCHER. No questions, Mr. Chairman. I want to join with you in thanking Mr. Baker for the fine statement he has made to this committee. We are certainly glad to have you with us Mr. Baker. I thank you for the complimentary statement.

Mr. MARSHALL. Mr. Andersen?

Mr. ANDERSEN. Mr. Chairman, I certainly am gratified at the compliments that Mr. Baker has given in his statement on the work of this subcommitee through the years. It is very difficult at times to know just what is the right thing to do in many of these problems, but on certain ones of these problems, there is no question in my mind what should be done.

For example, there is no question in my mind at this time, gentlemen, but what we must recognize the fact that our agricultural economy is declining from the viewpoint of the net income as far as the average farmer is concerned, and in view of that fact, there comes into my mind a need for strengthening the work of such organizations as the Farmers' Home Administration, and the Federal crop insurance program.

Those are particular organizations which will have all the more difficult problems to solve, much more difficult at a time like this when our parity price index is declining than it does have when everything is up at the top level in agriculture as in 1947 or 1948.

I want to assure you, Mr. Baker, that it is my personal conviction that this subcommittee will bring out a bill which will be considerably more realistic to certain programs in agriculture than the bill which the budget has proposed to us.

Mr. BAKER. I am quite confident of that, Mr. Andersen.

Mr. MARSHALL. We thank you for appearing before us.

Mr. BAKER. I thank you gentlemen for the courtesy.

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WEDNESDAY, MARCH 9, 1955.

## WESTERN STATES MEAT PACKERS ASSOCIATION

### WITNESS

### L. BLAINE LILJENQUIST, WESTERN STATES MEAT PACKERS ASSOCIATION, INC.

Mr. MARSHALL. The committee will come to order. We are pleased to have before us this afternoon Mr. Liljenquist of the Western States Meat Packers. Do you have a statement?

Mr. LILJENQUIST. Yes, sir, Mr. Chairman, and if I may I would like to read it.

I have been the Washington representative of the Western States Meat Packers Association since 1946. Our association represents independent meatpackers in the Rocky Mountain and Pacific Coast States. There are 441 member companies. The president and general manager is Mr. E. F. Forbes, of San Francisco.

We appreciate the invitation you have given us to appear before the subcommittee for a few minutes to express our views on the appropriation for the Department of Agriculture.

Prior to the Korean conflict the market news service on the Pacific coast included a semiweekly meat report at Portland, Oreg., covering the Pacific Northwest area including Takoma and Seattle. This work required the time of one full-time market news reporter on dressed meats and an office clerk.

Largely because of the Korean war the appropriation for the Market News Service was reduced and the dressed meat reporter in the Portland office was put back to reporting livestock sales on a part-time basis. Consequently the meat report is issued only once a week which is insufficient to meet the needs of the livestock producers and the various other segments of the livestock and meat industry.

In other major markets, such as Los Angeles, the Market News Service maintains a staff to report the meat trade twice weekly.

Accordingly, we would like to ask the subcommittee to add to the appropriation for Market News Service $12,000 for fiscal year 1956, which we understand is the approximate amount needed to restore the report on dressed meat in the Pacific Northwest to its former status. This amount would provide for a full-time reporter and clerk and the necessary travel expenses in covering the dressed meat market in an adequate manner.

As you know, the report on the dressed meat is not only of great importance to the meat retailers, wholesalers, and packers, but it likewise is the only way in which the livestock producers and feeders can know the condition of the meat trade.

This information helps them to determine when to sell their livestock and whether it will be to their advantage to continue to hold animals in the feed yards until they reach the next higher grade. When market conditions are reported quickly and reliably, as they are through the Market News Service of the Department of Agriculture, prices are stabilized and the violent ups and downs in market prices are largely avoided. This type of stability benefits everybody.

During the past year, synthetic detergents have increased in popularity and have cut heavier into the market for soap produced from animal fats.

As a result of this competition, the demand for tallow and grease for soap manufacturing has continued to drop.

The price received for tallow and grease is of great importance to the livestock producers. This importance becomes apparent when one considers that the average steer slaughtered in the packing plants yields about 65 pounds of tallow.

The table below shows tallow and grease production, soap sales and synthetic detergent sales from 1948 to 1954, inclusive, as reported by the United States Department of Agriculture and the Association of American Soap and Glycerine Producers:

[Billion pounds]

| | Tallow and grease production | Soap sales | Synthetic detergent sales | | Tallow and grease production | Soap sales | Synthetic detergent sales |
|---|---|---|---|---|---|---|---|
| 1948 | 1.9 | 2.5 | 0.4 | 1952 | 2.3 | 1.8 | 1.5 |
| 1949 | 2.1 | 2.4 | 0.7 | 1953 | 2.7 | 1.6 | 1.9 |
| 1950 | 2.3 | 2.4 | 1.1 | 1954 | 2.6 | 1.4 | 2.1 |
| 1951 | 2.3 | 2.0 | 1.2 | | | | |

In the table you will note that from 1948 to 1954, the tallow and grease production increased from 1.9 billion pounds, to 2.6 billion. That is a 37-percent increase. Soap sales which in 1948 were 2.5 billion have dropped to 1.4 billion, while the detergents which were only four-tenths of a billion in 1948, have now increased to 2.1 billion, so you can see how extensively the soaps made from animal fats are being replaced by the popular synthetic detergents. The detergent people say that by 1962, they will have 75 percent of the tallow cleanser market.

On today's market tallow and grease prices average about 7 cents per pound. It is a very low price compared to the average price of 18 cents paid for cattle. It costs just as much per pound to produce 7-cent tallow as 90-cent steak. If it were not for extremely heavy export shipments, which incidentally cannot be depended upon as a permanent outlet, the price of tallow and grease in the United States today would probably be less than half its present price.

The President's budget requests that the appropriation for fats and oils research for fiscal year 1956 be the same amount appropriated for 1955. According to the Department of Agriculture, the Department is spending $538,100 for utilization research on animal fats and $1,144,100 for utilization research on vegetable fats and oils during the current fiscal year.

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We believe that the appropriations for this essential research should be doubled.

The number of new industrial uses that can be found for a product such as tallow and grease through research is truly amazing. As an example of what can be done, one need only refer to the petroleum industry which through research has found thousands and thousands of new products which can be manufactured from petroleum.

Public funds spent for research to expand the demand for tallow and grease can tremendously benefit the producers of livestock, other segments of the livestock and meat industry, and consumers. Consumers can buy more and cheaper meat if the byproducts of the meat packing industry carry their fair share of the load.

An example of the importance of fats and oils research is the new use for tallow and grease that was developed in the past two years through research contracts issued by the Department's Eastern Research Laboratory in Pennsylvania. It was found that tallow and grease can be stabilized and used as an ingredient in mixed feeds for poultry and livestock. Feed manufacturers were quick to recognize the advantages of using tallow and grease in their feeds and at the present time they are using tallow and grease in mixed feeds at the rate of 250 million pounds or more annually.

This new use has been an important factor in raising tallow and grease prices in the last year from 4 cents a pound to 7 cents a pound. This has added greatly to farmers' incomes when you consider that tallow and grease is being produced in this country at the rate of over 2,600,000,000 pounds annually.

We hope the subcommittee will find it possible to further emphasize the Department's research program, particularly in relation to research on livestock products.

In 1954 the appropriation for Federal meat inspection was $14,160,173. In 1955 this was increased to $14,325,000. The budget for 1956 calls for the same amount.

We believe the budget request is the minimum amount necessary to enable the Department to provide the inspection without seriously slowing up production in packing plants. Whenever a shortage of inspectors occurs, the packers are forced to slow up or stop their operations. This of course is very costly to the industry.

The appropriation for Federal meat inspection permits the employment of about 600 veterinarians in grades ranging from 7 through 15, and approximately 2,400 lay inspectors at salary grades ranging from 3 through 11. Total employees in the Meat Inspection Branch was 3,174 in 1954, compared to an estimated 3,164 in 1955 and 3,151 for 1956.

If you have not already seen the figures you will be interested in noting that there were 1,067 plants under Federal inspection in 1954. Plants under inspection in 1955 are expected to total 1,107, and in 1956, 1,135.

Total animals slaughtered in plants under Federal inspection are continually increasing. The number slaughtered in 1954 was 90,900,000 head, compared to an estimate of 96,300,000 for 1955 and 96,500,000 for 1956. Total pounds of processed meat under Federal inspection is also rising.

Under these circumstances we believe the budget request has been trimmed to a bare minimum and should be approved by the Congress.

For the past 30 years the livestock and meat industry has given some attention to the problem of cattle grubs, which is costing the livestock and meat industry about $1 million a year. Since the bulk of this loss must be of necessity borne by the livestock producers, we want to emphasize this problem today so that plans can be made at the appropriate time to start eradicating this pest in earnest.

I should like to read a letter I addressed on February 11, 1955, to Mr. Eugene P. Forrestel on this subject. Mr. Forrestel is the chairman of the Livestock Research and Marketing Advisory Committee.

(The letter referred to follows:)

FEBRUARY 11, 1955.

Mr. EUGENE P. FORRESTEL,
*Chairman, Livestock Research and Marketing Advisory Committee,*
*Akron, N. Y.*

DEAR MR. FORRESTEL: It is well known that the control of cattle grubs or heel flies is one of the most important insect problems confronting the cattle owners in the United States. The total loss caused by these insects is estimated by the Department of Agriculture at $100 million each year. This loss is borne by stockmen, dairymen, feeders, meatpackers, hide dealers, tanners, and manufacturers of leather goods.

Despite the heavy loss which is borne by the stock owners in every State in the Union, no general or systematic effort has been made to control or eliminate these pests.

On January 17, 1955, a meeting, attended by the various segments of the livestock and meat industry and officials of the Department of Agriculture, was held to prepare a program to speed up the eradication of cattle grubs.

At this meeting Mr. John K. Minnock, executive secretary, National Hide Association, Chicago, was selected to serve as chairman of the Industrywide Cattle Grub Committee. Mr. Minnoch in turn named two committee chairmen to function as subcommittee leaders.

Donald D. Boughton, Livestock Conservation, Inc., will head a committee to make a market study on how the grub program can best be sold to the farmers, cattlemen, and ranchers, for without their cooperation, it is unlikely that any program to eradicate cattle grubs could possibly succeed.

L. Blaine Liljenquist, Washington representative of the Western States Meat Packers Association, Inc., was appointed chairman of the committee on Government research. Other members of that committee include, F. E. Mollin of the American National Cattlemen's Association; Herman C. Aaberg, director, livestock department, American Farm Bureau Federation; Dr. Fred O'Flaherty of the Tanners' Council of America; and Delos E. James of the National Grange.

Because grubs are resistant to insecticides that readily kill other insects, little progress has been made in bringing them under control. After 30 years of attention to this problem, grubs still exist in every State in the Union.

The Entomology Research Branch has been spending approximately $27,000 a year for grub eradication. After considerable discussion with the Department employees in charge of this activity the Industrywide Cattle Grub Committee decided to recommend an increase in funds to $75,000 annually. This would increase the chances for obtaining a satisfactory remedy.

It is also an amount which can be spent effectively with the present facilities that are available in the Department.

The Animal Disease and Parasite Branch is spending about $30,000 annually on the problem of cattle grubs. It is recommended by the Industrywide Cattle Grub Committee that funds to this branch be increased to $60,000 annually.

The Industrywide Cattle Grub Committee wholeheartedly recommends the increases referred to above. This would increase Federal appropriations on cattle grub eradication to $135,000 a year beginning in fiscal year 1957. We hope that the Livestock Research and Marketing Advisory Committee will make plans in your meeting, February 14, 15 and 16, 1955, for expanding the grub eradication program as proposed herein.

We are confident that if a stepped-up research program succeeds in finding an effective remedy, cattle grubs can be eradicated in the United States once and for all.

Attached is a statement of losses from cattle grubs or heel flies as reported in Farmers' Bulletin No. 1596, dated January 1949.

Sincerely yours,

L. BLAINE LILJENQUIST,
*Chairman, Government Research Subcommittee on Cattle Grub Eradication.*

Mr. WHITTEN. We appreciate your statement. I know you can realize the problem the committee has in handling these budgets. So many people are writing us about balancing the budget and cutting down. However, I think it is well to have the statement made and it will receive the attention of the committee.

Mr. LILJENQUIST. We recognize the need for economy. We are for it. We know it is difficult to make a good case for economy when we come up and ask for an increase, but we feel that research is one place where we should place the emphasis on department programs.

Mr. WHITTEN. We can't argue with you about that.

Are there any questions? If not, we thank you.

Mr. LILJENQUIST. On that cattle grub, we propose no increase this year, Mr. Chairman. That is only a long-range program which we hope might be undertaken by 1957.

Mr. HORAN. We have had testimony on that, and the Department is very much aware of it. It is pretty serious.

Mr. LILJENQUIST. On that market news, we certainly hope that can be worked out.

Mr. HORAN. I have had some mail on that.

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WEDNESDAY, MARCH 9, 1955.

## SCHOOL LUNCH PROGRAM

### WITNESS

### MISS MARGARET W. FITZHUGH, DIRECTOR OF CAFETERIAS, RICHMOND, VA., PUBLIC SCHOOLS

Mr. WHITTEN. We will be glad to have your presentation, Miss Fitzhugh.

Miss. FITZHUGH. Mr. Chairman and members of the committee, I am Margaret Fitzhugh from Richmond, Va., and I am in charge of the school-lunch program in the Richmond public schools. I am speaking on behalf of the American Schools Food Service Association and we should like to urge that favorable consideration be given to our 1956 school-lunch appropriation, which will be at least equal to that for 1955, and that provisions be made for continued distribution of section 6 commodities.

Educators and parents are keenly aware of the importance of good school meals for both the health of the children and for effective teaching programs. Those of us who are directly responsible for the school-lunch program, or the service, are under constant pressure to find ways to expand our programs in order that more children may have the benefit of school lunches.

Teachers find, and I think we could give very good statistical evidence of this, that the child who receives a school lunch has a better

attendance record, that he has better grades, and that he has a higher resistance to disease than the children who do not have a school lunch.

The members of our organization and other school administrators recognize the tremendous contribution the national school-lunch program is making toward the welfare of the Nation's children. Only because of it, are school lunches possible in many communities.

In every school that has a program, it certainly makes more adequate lunches available to more children.

The provisions of the National School Lunch Act, which limit reimbursement to those lunches which meet a third of the child's daily requirement, have done more to improve the Nation's food habits than we ever will be able to report to you on a statistical basis.

If you will permit me, as being one who is close to the lunch program, to say it, I certainly do wish that those of you who have these very weighty problems to decide, could see what the program does mean to so many thousands and thousands and millions of children over the country.

We have constant evidence that the school-lunch menus are having a definite effect on family eating habits. What the children have for lunch is a pretty important topic in the average home. Our school-lunch managers every day have requests for recipes, menus, for help with family eating problems, or requests about a use of new foods. It may not be new to the schools but it would be new to the families—the use of dried milk and the things that we do use in the school-lunch program.

In one little village in Virginia, they have had a school-lunch program for only 2 years. The owner of the local grocery store made the comment that the schools certainly had changed the buying habits of his customers. He said that milk, fruit juice and vegetables had become regular items in the purchases of practically every family.

Commodities have greatly broadened food tastes. A good example of that is the increasing demand for dried milk, peanut butter, tomatoes and other vegetables, and all the foods that we have become more familiar with through their use as commodities.

When we first had peanut butter it was not nearly so popular as it is now. If the supply should run short, we are simply swamped with demands for it. If we were to be transplanted to another place I don't think we could operate without the nonfat dry milk that we have and use in the preparation of so many of our foods.

From health and educational standpoints, school administrators are more than gratified that the numbers of school lunches served each year are increasing so rapidly, but from a school-management standpoint, the great expansion of the lunch program has brought with it tremendous problems. Two of them I would like to bring to your attention today. That is the making of provisions for the higher enrollment. The increased cost of serving a lunch, and the diminishing amount of Federal aid being received, per child, each year.

Taking the first of these, the increases in enrollments, since 1946 when the School Lunch Act was passed, the number of pupils enrolled in schools over the country have gone from 26.7 million to 33.5 million, an increase of over 27 percent. I use Virginia and Richmond several times because I know more about those, but I think it bears out the same national figures. In Virginia, enrollments have increased from 565,000 in 1946–47 to 695,000.

*Enrollment in elementary and secondary schools (kindergarten through grade 12)*

| School year ended | Total | Public | Non-public | School year ended | Total | Public | Non-public |
|---|---|---|---|---|---|---|---|
| 1930 | 28,388 | 25,705 | 2,683 | 1955 | 35,160 | 30,827 | 4,333 |
| 1940 | 28,229 | 25,569 | 2,660 | 1956 | 36,718 | 32,198 | 4,520 |
| 1950 | 28,623 | 25,204 | 3,419 | 1957 | 38,237 | 33,530 | 4,707 |
| 1951 | 29,437 | 25,895 | 3,542 | 1958 | 39,756 | 34,865 | 4,891 |
| 1952 | 30,657 | 26,912 | 3,745 | 1959 | 41,330 | 36,248 | 5,082 |
| 1953 | 31,825 | 27,888 | 3,937 | 1960 | 42,818 | 37,563 | 5,255 |
| 1954 | 33,468 | 29,340 | 4,128 | | | | |

While enrollments have been going higher, the number of children participating in the national school-lunch program has increased even more sharply.

*Participation*

| | Children | Lunches served |
|---|---|---|
| 1947 | 6,000,000 | 911,000,000 |
| 1955 | 10,000,000 | 1,700,000,000 |
| Increase, 87 percent. | | |

In Virginia, the number of lunches has risen from 19 million in 1946–47 to an expected 47 million for this year, an increase of 147 percent. In my city, where the complete lunch was vigorously promoted even before the national program became available, lunches since 1949 have increased 127 percent—699,291 to 1,589,666.

Increased costs of operating: The costs of serving a school lunch have spiraled since the reimbursements rates were established under the provisions of the National School Lunch Act, and the nationwide increase since 1946 is 45 percent.

Eight years ago, when costs were lower and there was a higher reimbursement, our own school cafeterias were almost entirely self-supporting.

Funds received from the sale of lunches covered equipment purchases, supervisory costs, and other expenditures, and the schools had to furnish very little except building space.

Now, with increased costs, a number of our operating expenses have to be included in the general school budget. In order to serve adequate lunches in our 47 cafeterias it is necessary for us to draw on tax funds for many expenditures and services required, including equipment, administrative costs, warehousing and deliveries, utilities and maintenance.

Our situation is comparable to that in the majority of other cities and communities.

School administrators all over the country are endeavoring to solve as many of these financial problems as are possible on local and State levels.

The school lunch is frequently a community project, with teachers, parents, and pupils responsible for its preparation and service. The training programs for professional and nonprofessional school-lunch workers offered in almost every State are widely attended.

These are resulting not only in more nutritious and more appetizing meals, but in improved management methods and in good use of

plentiful and available foods. The emphasis on cost control and quantity purchasing and preparation has helped to bring expenditures to a minimum. It is impossible, however, to go beyond a certain point in cost reduction without having a substandard lunch.

Decreasing aid per child: While the schools have been seeking for ways of solving the lunch problems brought about by increased enrollments and higher costs, the amount of Federal aid per child has been steadily decreasing.

In 1947, all but 7 States received a 9-cent reimbursement for each lunch served, and the average for the Nation was 8.7 cents. In 1954, the average rates per lunch for the Nation was 4.8 cents. This year it is 4.5 cents.

In Virginia the average is now 4 cents, and in Richmond we are receiving only 3 cents. This is exactly 6 cents less than our first reimbursement of 9 cents. Six cents is approximately the cost of a serving of either 1 of the 2 most expensive items on the lunch menu, a bottle of milk or a serving of meat or other protein food.

Parents, State, and local communities are paying more: During the period that Federal aid per lunch dropped more than 40 percent, State and local governments increased their aid by 50 percent, with an average of from 5.6 cents per lunch in 1947 to 8.5 cents in 1954. In the same time parents' payments have gone from 16.5 cents to 22.5 cents per lunch. In 1954 the States matched almost five times the amount required under the matching provisions of the National School Lunch Act.

*Fiscal year 1954 estimated income from sources within States*

| | |
|---|---|
| Parents' payments for lunches | $303,276,000 |
| State and local government contributions | 62,962,000 |
| Other local contributions | 51,782,000 |
| Total | 518,020,000 |
| Federal assistance: | |
| Cash apportionment | 67,266,000 |
| Value of commodities distributed | 14,826,278 |
| Total | 82,092,278 |
| Matching amount required | 83,707,625 |

Why not price increases? A person unfamiliar with the lunch program, when told of the problem of financing the school lunch, might ask, "Why cannot a solution be found by raising the price the child pays for the lunch?"

Price increases almost invariably mean that the children most in need of a good meal stop getting lunch at school. With every increase we have found necessary, there has been a decline in the number of lunches served.

In one of our schools a change of 5 cents in the price of the lunch brought about a 50-percent decrease in the number of lunches served.

The marginal and white-collar families are most affected. A 5-cent increase amounts to $9 a year. For a family with 3 children, this means $27, or the price of several pairs of shoes.

A recent survey made in different sections of the country pointed up the effects of the prices charged on the number of lunches served. Where less than 25 cents per lunch was charged, 82 percent of the

schools had high participation. Where 25 cents was the price, 45 percent of the schools had high participation. Where the lunch cost 30 cents or more, only 30 percent had high participation.

The members of the American School Food Service Association and school administrators recognize their great responsibility in maintaining a lunch program which will best serve the needs of the children.

The States and local communities are hard pressed at the present in meeting the heavy school construction and operating costs made necessary by increased enrollments. At least as much school-lunch assistance as has been given in the past is greatly needed if the health and well-being of the Nation's children are to be safeguarded.

May I just give you one further thing: In case it wasn't called to your attention, there was an article in the last Ladies' Home Journal that you may not have seen, which calls attention to the good school-lunch work that is going on in some of your States, in Mississippi, and a long article about Kentucky. May I pass that to you in case you have time to read that?

Mr. WHITTEN. We will be very happy to have it.

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WEDNESDAY, MARCH 9, 1955.

## SCHOOL-LUNCH PROGRAM

### WITNESS

### HARVEY ALLEN, DIRECTOR OF SCHOOL LUNCHES, NEW YORK CITY BOARD OF EDUCATION

Mr. WHITTEN. Mr. Allen, do you have a statement at this time?

Mr. ALLEN. I do.

Mr. Chairman and members of the committee, in its budget request for 1956, the Department of Agriculture has proposed a $15 million reduction in the school-lunch appropriation, to be accomplished by eliminating section 6 purchases. The justification offered for the reduction is that increased donations of sections 32 and 416 commodities will offset the loss of section 6 commodities.

The same proposal was made last year, and the same reasons were advanced to justify it. Fortunately for the more than 10 million children in the school-lunch program, your committee and your colleagues in the Congress were not persuaded to accept the Department's claim that the program would not be harmed by the elimination of section 6 purchases.

Events have since demonstrated the errors in the Department's reasoning and proved the correctness of your committee's judgment.

About the same time last year, the Department's official witnesses appeared before your committee. On page 1039 of part III of the report of last year's hearings can be found the following statement:

> It is estimated that before the close of 1954 fiscal year * * * [Sec. 32] commodities valued at about $123 million will have been distributed.

Although 9 months of that year have already passed when this testimony was adduced, the estimate proved highly inaccurate. The value of surplus commodities actually distributed in 1954 was $94 million, or $29 million less than the estimate given the committee.

Moreover, on page 1056 of the same report, an official witness stated that the Department's estimate for 1955 was $150 million. During the first 6 months of 1955, however, only $42.5 million of surplus foods were distributed, and at the current rate of distribution, it is unlikely that the total for the entire year will exceed $90 million.

It now appears certain that there will be less surplus commodities distributed in 1955 than there were in 1954, and that the estimate for 1955 was $60 million too high.

I do not know what the Department's prediction for 1956 may be, but I do know that the only surplus commodities the Government now owns and can make available to schools next year, provided they are not otherwise disposed of, are dairy products and cottonseed oil.

The maximum amounts of these commodities the schools can use without waste is less than $50 million a year. What commodities, if any, will be available in addition to these is conjectural.

This year's experience, coupled with that of previous years, confirms the opinion which this committee has previously expressed and which we certainly share—surplus commodities are much too uncertain to provide a reliable basis for operating the school-lunch program.

But this is not the only difficulty. Even if it were possible to predict accurately what kinds and quantities of surplus commodities will be available, and when, they would still not be an adequate substitute for section 6 commodities, for several reasons:

1. The variety of surplus commodities is determined by harvest and market conditions and not by the needs of the school lunch program. Section 32 and 416 commodities, consequently, do not provide the diversity and flexibility that section 6 commodities afford.

For example, last year 90 percent of the value of surplus commodities was concentrated in three commodities: beef products, butter, and cheese. The only fruit distributed was cranberry sauce, and some limited quantities of fresh pears. The only vegetables were potatoes, also limited in distribution, and some dried beans. This year there have been even fewer kinds of surplus commodities. On the other hand, section 6 provided green beans, peas, tomatoes, tomato paste, peaches, grapefruit sections, concentrated orange juice, and peanut butter.

2. The distribution of surplus commodities among the States is inequitable, because it depends upon the differing abilities of States and communities to receive and store bulk shipments of perishable foods. In 1954, for example, three of the wealthiest States, California, Illinois, and Massachusetts, received 50 percent more of surplus commodities than they would have been entitled to if surplus commodities were apportioned according to the formula contained in the School Lunch Act. On the other hand, Mississippi, Alabama, and Georgia received 20 percent less. Actually, the basis of distribution used by the Department of Agriculture; i. e., "ability to use," does not correlate with need. We do not criticize the method used by the Department—its interest is to get rid of as much of these surpluses as it can, but we do wish to point out that the resultant distribution is inequitable. Section 6 commodities afforded do not require refrigerated storage

facilities and can be apportioned equitably among the States on the basis of the numbers of children receiving complete meals.

3. The cost of surplus commodities to the Government does not represent equivalent dollar values to the schools. Many surplus commodities cannot be substituted for other foods, and although they make welcome additions to the children's menus, they afford no savings for the purchase of other needed foods. Those that can be used in place of other foods permit savings equivalent only to the cost of the commodities they replace. Thus, the difference between the Department's valuation of surplus commodities and the actual savings they afford the schools is substantial. Butter, one of the major commodities distributed, provides a good example. In 1954, $29.5 million worth of butter was distributed to schools, but the value of the butter to the schools was only $8.5 million, or $21 million less than the Department of Agriculture's evaluation, because in most cases it replaced oleomargarine. Section 6 commodities are commodities the schools need and would have to buy in any event. Furthermore, the Department can purchase these commodities more advantageously than can most schools, so that section 6 commodities represent greater value to the schools than the equivalent amount of cash assistance.

For these reasons, we submit that surplus commodities cannot be considered as adequate substitutes for direct grants-in-aid, either in cash or in the section 6 equivalents of case.

Moreover, we believe that the Congress did not intend that they should. The National School Lunch Act clearly provided both for the purchase and distribution of section 6 commodities and also for the donation of commodities acquired under price-support and surplus-removal programs.

We believe that this act, in its present form, is well designed to accomplish its purposes of promoting the health and well being of the Nation's children and of increasing the consumption of agricultural products.

We urge that none of its provision be abrogated, and that adequate direct appropriations continue to be provided to carry out its purpose.

The need for a school-lunch appropriation for 1956 at least as great as that provided for 1955 has been well demonstrated by others. I have attempted to point up some of the reasons why the Department's proposed budget does not meet that need. The long record of your committee's unfailing support of the national school lunch program gives ample evidence of your concern for the health and well being of our children, as well as your recognition of the school-lunch program as an important means of fostering a healthy agricultural economy.

We cannot keep contrasting the consistency of your committee's convictions and practice with the inconsistency of the Department's declared policy and its practice. Recently, I received a letter from an Assistant Secretary of Agriculture in which he stated that—

> the Department of Agriculture has not changed its thinking with regard to the national school-lunch program. We continue to regard this program as a prime means of improving the nutrition of children as well as broadening the domestic food markets.

If this is indeed the Department's conviction, it should be requesting more, rather than less school-lunch funds. The argument that there should be less funds because there are more surplus commodities—

which is not the case, in any event—does not make as much sense as saying that there should be more funds because there are surpluses—a larger school-lunch program could use more surpluses on the one hand, and would increase the purchases of foodstuffs through normal market channels on the other hand.

If the appropriation for school lunches was increased to $100 million for 1955, it would enable 400 million more meals to be served to more than 2 million additional children. Not only would each additional dollar produce as great an increase in milk consumption as a dollar of CCC funds expended under the provisions of the Agricultural Act of 1954, but would in addition stimulate the purchase of $4 of other agricultural commodities through normal market channels.

We are grateful for your kindness in granting us this opportunity of expressing our views, and we are confident that after you have weighed the evidence you will again find for the children.

Thank you very much.

Mr. WHITTEN. Thank you. We are glad to have your statement, Mr. Allen. As usual, you have given us a very good presentation of the soundness of this program and the essential parts of this program, particularly with reference to section 6. I wish to commend you for your presentation.

Mr. ALLEN. Thank you, Mr. Chairman.

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WEDNESDAY, MARCH 9, 1955.

## SCHOOL LUNCH PROGRAM

### WITNESS

### MRS. RICHARD G. RODUE, WASHINGTON COMMITTEE ON LEGISLATIONS, NATIONAL CONGRESS OF PARENTS AND TEACHERS

Mr. WHITTEN. The committee will be pleased to hear from Mrs. Rodue at this time.

Mrs. RODUE. I present my statement for Mrs. Clifford N. Jenkins, the national chairman on legislation of the National Congress of Parents and Teachers, the PTA.

Mr. Chairman and members of the Agriculture Subcommittee of the House Appropriations Committee, the National Congress of Parents and Teachers, a volunteer organization with a membership of nearly 9 million, earnestly requests your careful consideration of adequate appropriations for the school-lunch program.

The National Congress of Parents and Teachers was the first sponsor of any type of school lunches for children. Long before the idea caught the imagination of either the school people or the general public, parent-teacher associations were concerning themselves with what children ate for lunch.

They discovered that children were undernourished, that some children had little for breakfast and less for lunch, and that this lack of food was causing misfits in the classrooms.

Through the cooperation of school nurses, teachers, principals, and in some instances, welfare agencies in the community, the parent-teacher members began the lunch program. In many communities

soup was made in the homes of the members and carried to the school, where it was given to those children who were most in need of it.

After soup came cocoa, milk, and the well-balanced hot plate, served for a few cents. The program grew like the proverbial Topsy. The most needy were carried on the books—their lunches paid for out of the PTA funds; the rest paid just the cost of the lunch. New schools were built and equipped with cafeterias, but the members of the parent-teacher associations continued to serve as cooks, waitresses, bookkeepers, cashiers, and managers.

Studies were developed to show the relationship of food to the mental development of the child, and the effect of a good lunch program on his emotional stability.

The next step was the establishment of the school-lunch program as a part of the State departments of education.

Since 1946, when the National School Lunch Act was passed, the National Congress of Parents and Teachers has concerned itself with the amount of appropriations placed in the Federal budget for the school-lunch program. Our members have been impressed with the growth of the program and with the numbers of children availing themselves of a suitable lunch. Today approximately 10 million children are participating in the program.

We note that the budget for fiscal 1956 proposes for the operation of the national school-lunch program $68 million, a reduction of $15 million in commodity procurement. We also note the explanation of the President:

> The appropriation recommended * * * covers only the cash payments to States and the costs of administration. In addition, contributions of surplus commodities, financed mainly from a permanent appropriation to the Department of Agriculture for this purpose, are expected to continue at a high level, so that the combined total of Federal cash payments and food donations will remain approximately the same * * *. Moreover, the new school-milk program provides $50 million a year * * * to encourage increased consumption of milk by schoolchildren. Taken together, these various aids will make Federal support of the overall school-lunch program the largest in our history.

We testified against a similar proposal last year. The $15 million which is being cut from the 1956 budget eliminates the purchase of foods under section 6.

If these funds are cut out, it means that the schools will not receive such commodities as canned tomatoes, peaches, grapefruit sections, green beans or peanut butter, but will receive only such foods as are available under section 32—and this year the only section 32 foods now in inventory are dried milk, butter, cheese, and cottonseed oil.

A school-lunch manager, without the foods donated under section 6, must either lower the quality of the meal, or buy similar foods and raise the price of the meal. At present, the usual cost of the meal to the student is 20 to 35 cents. When the price goes above this, the children who most need the food cannot afford to participate in the program.

A comment made by a member of this subcommittee on the floor of the House of Representatives summed up the problem:

> The purchase of foods under section 6 has helped schools meet nutritional needs and provided a balanced diet. While there has been an increase in the amount of surplus commodities acquired for school-lunch programs with section 32

funds, a great many of such commodities are not identical in kind or in nutritional characteristics with those provided under section 6. In order to meet nutritional requirements and provide a balanced diet there is still a vital need for section 6 purchases, particularly fruits and vegetables (Congressional Record, Apr. 12, 1954).

The school-lunch program cannot be confused or linked with the special-milk program. The milk program is new, is serving an important function, but is in an experimental stage. How it can best serve the children is to us the paramount question. Some schools have found they cannot consume more milk during the lunch period, and are experimenting with "milk breaks" to increase milk consumption and take advantage of this new program.

States have many problems—school construction, teachers' salaries, shortage of classrooms—and the milk program has approximately doubled the work of school-lunch personnel, since most State department of education budgets will not cover additional personnel. We believe that the special-milk program is a good program, but it should not be confused with the school-lunch program, and milk money cannot be substituted for lunch money.

The National Congress of Parents and Teachers is concerned with the welfare of children. One of our objectives is—

to develop between educators and the general public such united efforts as will secure for every child the highest advantages in physical, mental, social, and spirtual education.

We believe that "all children are our children," and it is for all children that we plead with you today. There are many more of these children in the public schools today than in 1947. It costs more to serve the lunches—45 percent more—although the amount of Federal aid per lunch has dropped 40 percent. We do not ask for a corresponding increase in the total appropriation. We simply ask that the $15 million for section 6 foods be restored, and that the sum of $83 million be sustained in the 1956 budget.

The school-lunch program helps build strong, healthy citizens of all of the children of all of the people. As parents and teachers we appeal to you to support the school-lunch program in its entirety—both in cash payments to States and in commodity procurement. We ask that the 1955 appropriation be sustained for 1956.

We appreciate the opportunity of appearing before you today.

Mr. MARSHALL. Thank you, Mrs. Radue.

We appreciate your fine statement.

Mrs. RADUE. Gentlemen, I think one of the most eloquent statements in support of the school lunch was Mr. Cannon's last year on the floor. We read that with great pride because those were our feelings, strongly.

Mr. MARSHALL. This committee has always been greatly interested in the school-lunch program.

WEDNESDAY, MARCH 9, 1955.

SCHOOL LUNCH PROGRAM

WITNESS

MRS. JOSEPH MILLS STOLL, SPOKESMEN FOR CHILDREN, INC.

Mr. MARSHALL. Now we shall hear from Mrs. Stoll.

Mrs. STOLL. My name is Hester Stoll and I am a member of the board of directors of Spokesmen for Children. I serve as the Washington representative. Spokesmen for Children is a national, voluntary organization which is concerned with Federal legislation affecting children in matters of health, welfare, and education. Our membership is composed of doctors, nurses, teachers, ministers, social workers, businessmen, parents, and interested citizens; we have members in 40 States, Hawaii, and the District of Columbia. Our organization is supported by the contributions of its members.

Spokesmen for Children has long believed that the Federal Government has a responsibility to help the States and localities with a school-lunch program which would make available a nutritious, hot lunch to every child and especially to needy children. Also, we think that the Federal, State, and local governments should be financial partners in the school-lunch program with primary emphasis upon local responsibility and control.

We are afraid that the $68 million in the President's budget may be too small an amount to keep the national school-lunch program in operation. This is $15 million less than the 1955 appropriation.

The proposed reduction would be in foods purchased under section 6 of the National School Lunch Act. Such a cut would mean that the schools would not receive such foods as citrus fruits, peaches, apricots, tomatoes, peanut butter, canned green peas and beans—all necessary for well-balanced and appetizing meals.

This reduction could cripple the school-lunch program. The inevitable result will be either decreasing the quality of the meal served or raising the cost of the lunch. Either consequence is a defeat to one of the basic purposes of the School Lunch Act—

to safeguard the health and well-being of the Nation's children.

We understand that about 10,000,000 children or approximately one-third of all school children receive the hot lunch each day. There appears to be a trend toward low children participation where the need is the greatest. This type of situation exists in a county near Washington, D. C.

I might say this is Montgomery County that I live in that I use as an example here—where I have a child in the public school. In this county one-third of the school children get the type A lunch each day although individual schools vary in child participation from 13 percent to 71 percent. The cost of the meal is customarily 30 cents; a few schools furnish it for 25 cents. If the Federal share of the cost of the lunches is reduced, the price to pupils will be raised, and fewer pupils will be able to buy the lunch. Then, fewer lunches can be given to needy children unable to pay for the meal. Cutting funds under section 6 might start a chain reaction which would put the whole program in my county on the downgrade.

There are three considerations which lead us to the conclusion that the Federal appropriation for the school lunch program should be raised rather than lowered:

1. The child population is increasing. Let me say, gentlemen, I am always surprised when I look up these figures on child population, to find we are a country simply bursting with children and we are increasing that number all the time. I find it amazing. When I looked it up I found that in 1954 there were 54 million children under 18 years of age. By 1960 there will be 62 million children. According to official estimates of the Office of Education, the public-school enrollment will increase from 31,015,000 during the present year to 36,250,000 during the 1959–60 school term. This is an average increase of 1,047,000 public-school students a year.

2. The cost of serving school lunches is rising. The cost of serving lunches has increased 45 percent since 1946. In the same period the amount of Federal aid for each lunch has dropped more than 40 percent from 9 cents to just under 5 cents. States and localities are financing about 70 percent of the total cost of the school lunch programs at the present time.

3. There are a great many children in low-income families. The Bureau of the Census made a study in April 1952 which showed that one-third of the children in the United States lived in families which had incomes under $3,000 a year. Some 8,800,000 children or about one-sixth of all children were in families with incomes of less than $2,000 a year.

A little more than half of the children were members of families that had three or more children. You can see why buying school lunches might be hard when you have maybe 3 or 4 children and the lunches run 25 to 30 cents. It might become quite an item to purchase so many lunches.

In addition to these general figures, we know that there are a million and a half children receiving aid to dependent children with an average grant for each child of $23.93 a month. These children are from broken homes or lack support because a parent is physically or mentally disabled. Another million children are living on benefits from old-age and survivors insurance. From these statistics, we gather that the hot lunch at school, supplying a third of a child's daily food needs, is a great boon to children in the low-income groups.

We are glad that the school-lunch programs are benefiting from commodities provided under section 32 and from the special milk program. It is imperative that the schools have foods under section 6. We urge you to restore the $15 million reduction and to appropriate $83 million for the national school lunch program.

Mr. MARSHALL. Thank you for an excellent statement, Mrs. Stoll. We appreciate your coming before this committee.

Mrs. STOLL. Thank you very much.

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SCHOOL LUNCH PROGRAM

WITNESSES

MISS MARGARET E. BRENNAN, DIRECTOR OF HOME ECONOMICS IN CHARGE OF CAFETERIAS, BOARD OF EDUCATION OF NEWARK, N. J.

MRS. ROSALIE LEWITT LEON, VICE PRESIDENT, NEWARK BOARD OF EDUCATION

Mr. MARSHALL. We are pleased to have before the committee this afternoon Miss Brennan and Mrs. Leon from the Newark Board of Education, speaking in behalf of the school lunch. Will you proceed with your statement, Miss Brennan.

Miss BRENNAN. Mr. Chairman and members of the committee, I am Margaret E. Brennan, director of home economics, in charge of cafeterias for the Board of Education of Newark, N. J. I have come to ask you not to reduce the school lunch appropriation for the following reasons:

1. Unless you give us greater financial aid in the form of a larger school-lunch appropriation, it is hardly likely that our board of education can sustain the present meal pattern of the national school lunch program. Not all realize the problems of mounting costs in an industrial, high labor area such as Newark. Overhead items have increased considerably, and food costs have shown little reduction.

What are we to do? Raise prices again to meet our mounting deficit? We know only too well that an additional penny or nickel added to the price of a school lunch causes a hardship to many of our children. We strongly request that you give us greater help in order that we may continue our program.

2. Under section 6 the citrus fruit juices and the dried and canned fruits and vegetables which we received supplemented our children's lunches with vitamins A and C frequently found lacking in the diets of school children. This year we received a lesser amount of fruits and vegetables, so it was necessary for us to purchase more of these foods. The availability of anticipated surplus commodities has proven uncertain, unrealistic, and unreliable as to amount and kind. Neither a school nor a board of education can plan and continue a school-lunch program while it trusts to luck that the commodities which were formerly available will again be available.

When we needed definte commodities the most, we could not depend upon them to help us alleviate our financial situation and solve the nutritional problem of serving desirable school lunches.

While we appreciate the commodities of sections 6 and 32 which we have received in the past, these were only incidental to the program, but, we do feel keenly the indefiniteness of these commodities.

In current dollar value in the school year 1953–54, we received about $120,000 in surplus foods. For the first school term of 1954–55 we have received $18,000 less in surplus foods than we did for the same 5-month period of 1953–54.

For instance, we received no turkeys, frozen chopped beef, smoked pork shoulders, case eggs, and very little peanut butter. With the

exception of canned beef and gravy, our chief source of surplus protein foods has been dairy products, such as cheese and dried milk.

Animal protein foods such as meat are often the most costly, but are most necessary for growing children. You may readily see, therefore, how a sponsor depending upon surplus commodities may purchase protein foods to replace these diminished surplus commodities. This adds to our food cost, so again we must ask for your help. What we actually need is more cash assistance. That's the only practical solution to our problem.

3. As a State, New Jersey has an increased school lunch participation due to increased school enrollments. With the building of new and central schools more children necessarily eat lunch at school. New Jersey matches the amount of money required by the national school lunch program on more than a 3-to-1 basis.

Due to lack of funds, the decrease in the State school lunch subsidy on type meals and the total discontinuance of the subsidy on type C meals has created a very sad situation in our State.

Accordingly, Newark, the largest city, with its increased school enrollments, suffers most from the inadequate school lunch subsidy and the decrease in surplus commodities. Because of health, social and economic reasons, Newark furnishes free about 20 percent of its total type A meals to school children, and also gives 7 percent of the midmorning milk free to children. In our city, unemployment in some industries is quite evident, and this situation is naturally reflected in the needs of our children, so that our superintendent and teachers are vitally concerned. With the exception of the national school lunch subsidy on free meals, the cost of the free meals and free milk is carried by the Newark Board of Education.

This may not be true in other cities, for some school districts frequently receive other reimbursements for free meals and free milk from other agencies or organizations. Newark does not. It stands alone. It provides for this expenditure in the board of education budget, and our budget cannot continue to carry this load.

Therefore, Mr. Chairman and members of this committee, due to rising costs, curtailed surplus commodities, increased school enrollments and participation, a diminished State school lunch subsidy, the large number of free meals and milk, we strongly urge you not to decrease the $83,500,000 school lunch appropriation.

The school children of this country need every penny of this amount; in fact, they require more. As a sponsor, the Newark Board of Education has kept faith with Newark's school children. Representing Newark's school children and our board of education, I urge your careful consideration of their needs so that every child will be adequately nourished and will develop into a mentally and physically strong citizen.

Mr. MARSHALL. We thank you for an excellent statement, as usual, Miss Brennan. We will hear at this time from Mrs. Leon.

Mrs. LEON. Mr. Chairman and members of the committee, I am Rosalie Lewitt Leon, and as vice president of the Newark Board of Education, I appear before you today with our director of home economics in charge of cafeterias, Miss Margaret E. Brennan, to urge you not to cut the school lunch appropriation.

The city of Newark is now in the throes of a change of government. We have recently received an award as an all-American city. We are very proud of our school system and of our services to children and youth, and we consider our department of school cafeterias one of the finest services offered.

In 1942 we had 10 school cafeterias; in 1955 we have 44 school cafeterias operating under Miss Brennan's direction. Hardly a day passes but what a parent or a PTA approaches us with a request for a new school cafeteria. Our Bruce Street School for the Deaf serves not only the children of Newark but children from 44 other northern communities in New Jersey. Many of these children come from a long distance and of necessity must bring their own lunches with them. You can well understand why the parents of these children would pressure for a hot school lunch. Another new school recently opened is a school for the mentally retarded trainable, our Alyea Street School. Here we are the first in the Nation in starting a program for children with an I. Q. of from 30 to 50. The parents of these children, too, understandably urge us to have a cafeteria in the school.

At the present time our cafeteria setup costs the city of Newark approximately one-half million dollars over and above all income. With a tax rate of approximately $8.55, you gentlemen can well understand why the Newark Board of Education is deeply concerned about the possibility of any cut in the national school-lunch appropriation.

We have a total of 70 school buildings, some of which are almost 100 years old. At least one-half of them are approaching the point of obsolescence and should be replaced. Increased enrollment and shifts of population due to housing projects require the construction of new buildings and additions to old ones. We have 6 new buildings either under construction or about to be started, and 2 substantial additions to 2 other buildings were just completed.

We have started on a $20 million rehabilitation program for some of the old buildings, which we cannot afford to replace, but which we also cannot afford to permit to be used as they are.

This handful of new buildings and additions, and this program to make our oldest buildings usable, will consume our entire debt limit of between $40 and $45 million. That still leaves us with a large number of schools which will have to be replaced because they are obsolete.

I feel that the citizens of Newark have been extremely generous through the years in their support of public education. But, gentlemen, there is a point beyond which we cannot lean on local taxpayers to extend their sacrifices for the support of public education. In their names, I ask your continued support for this educational service to the children of Newark.

Mr. MARSHALL. We thank you for your very splendid statement. We appreciate your coming before this committee and giving us your views on this subject. We know that you are most deeply interested in it.

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## SCHOOL LUNCH PROGRAM

### WITNESSES

**HON. JOHN W. McCORMACK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS**
**JOSEPH B. MEEGAN, EXECUTIVE SECRETARY, BACK OF THE YARDS MOVEMENT, CHICAGO, ILL.**

Mr. MARSHALL. We are particularly honored this afternoon that we have our distinguished majority leader, the Honorable John McCormack from Massachusetts here. Mr. McCormack has been one of the most stalwart supporters of the school lunch program, as he is of all programs that have to do with the heart and welfare of people.

Mr. MCCORMACK. Thank you very much, Mr. Chairman.

I appreciate this opportunity. I consider this one of the finest programs we have in many respects, and, of course, throughout the years I have been one of the leaders in the fight for it, and to prevent its being interfered with unnecessarily through lack of appropriations.

You will remember last year, as I remember the budget estimate was $68 million and then the committee put back about half of that and the House put back the other half, bringing it up to $83,230,000, as I remember

Mr. MARSHALL. That is right.

Mr. MCCORMACK. I sincerely hope the subcommittee will at least put that amount in this year.

I know of no program that produces more favorable results upon the individual and upon community and society, and in the building of character, than the school-lunch program. I am very glad to be here and wholeheartedly urge not a continuance, because I know this committee will vote funds, but to at least put back—and you know I say "at least"—the 83 million plus dollars that were appropriated last year.

I have with me a very dear friend of mine, if I am permitted to present him to the committee, Mr. Joseph B. Meegan, of Chicago. He is the executive secretary of the back of the yards movement in Chicago, Ill., which is one of the finest and most dynamic projects, I think, that has ever been conceived and put into operation in America.

He has for years come to Washington on this worthy program and he has gone to the capitol in Illinois urging appropriations on the State level to cooperate with this program and I am particularly pleased to present him to the committee. I assure I am in agreement with everything he might say, because I know what his views are. He is a very close valued friend of both Mrs. McCormack and myself. I have a very high regard for him and I am exceedingly pleased to present him to you, Mr. Chairman, and the other members of the subcommittee.

Mr. MARSHALL. We will be particularly glad to hear from him, knowing that he is a good friend of yours. We are very happy that you have made this statement, distinguished Majority Leader, because you know we value very highly your support for our appropria-

tion bill when it comes onto the floor of the House. We know in the past, the excellent support you have given this committee and we look forward to that much-needed support in a few weeks when we have our bill up on the floor.

Mr. McCormack. Thank you very much and I hope the committee will report out an appropriation where, if any attempt is to cut it down I will be fighting from that angle rather than to try and increase it.

Mr. Meegan. Mr. Chairman and members of the committee, first of all I want to thank you for the privilege of being able to appear here today. And I want to thank my dear friend, Congressman McCormack, for the kind words he said in my behalf. We consider Congressman McCormack the apostle of the school-lunch program.

I first appeared in Washington in behalf of the school-lunch program in 1942, when surplus commodities ran out and a cash appropriation was necessary for the continuance of this program. I subsequently appeared in 1943 and at that time I was told by members of the Senate Appropriations Committee that in order to give further Federal assistance in this program we would have to get State legislation, so that it would become a Federal-State program. We were successful in the State of Illinois in getting legislation passed for this program. I would like to tell you today of the development of that program in our State.

In 1946 when the National School Lunch Act was enacted here in Washington, 1,600 schools participated in the program in Illinois.

Since that time, due to its tremendous popularity and the good that it has done for the children in the State of Illinois, that figure has been increased to more than 3,700 as of June 1954 and I am told that since the 1st of September 200 additional schools have been added to the school-lunch program.

At the time the school-lunch program was enacted, we were receiving from the Federal Government 9 cents a meal and at the present time, due to the increased participation of schools in the State, it is down to 3 cents a meal. If we receive an additional cut, we won't have anything left.

Our problem in Back of the Yards is a little different than perhaps the problem in other sections of the State, in the respect that the schools participating in the Back of the Yards Council program, are all parochial schools. The sponsors of the program at the present time are a little concerned. They are very grateful for the Government's help with regard to the milk program that we are receiving now, whereby youngsters can receive several bottles of milk a day at a cost of about 2 cents a bottle. However, they can't understand why the Government wants to reduce the appropriations on the school-lunch program, because they consider school lunches just as essential as the milk program.

I would like to point out that section 6, which provides for canned vegetables and canned fruits, according to our nutritionist, is absolutely essential to a noonday diet. The schools in our area cannot absorb the additional cost, because the cost of lunches right now are at an all-time high.

In fact, they run between 25 cents and 35 cents. You can understand that children attending parochial schools—the families have a

problem as it is, paying for tuition and paying for their books; and children from our neighborhood usually come from large families. I would like to point out to you that in our community we have 171 children in 1 block. We have more than 8 blocks, with 160 children, and practically every block in back of the yards has about 100 children or more. We have 20 schools in the area. You can see that with a community of large families, it would be a drain on the purse of the parents there to try to supply the necessary funds for the school-lunch program.

I have with me a statement sent to me by Frank Washing of the Board of Education, relative to the Board of Education's position regarding the program. He states here:

we are gravely concerned over reports reaching us to the effect that the Department of Agriculture has recommended to the Bureau of the Budget that the appropriation for school lunches authorized by Public Law 396, 79th Congress, which was adopted June 4, 1946, be reduced for the fiscal year ending June 30, 1956, by $15 million, which amount the Secretary would otherwise spend under section 6 of the above-mentioned law for agricultural commodities to be distributed in kind to participants in the national school-lunch program. We are further concerned about reports to the effect that a subcommittee of the President's Commission on Intergovernmental Relations has recommended to the parent commission on the inclusion in its report to the President a recommendation that the school-lunch appropriations be discontinued.

We respectfully direct your attention to section 2 and 3 of the national school-lunch law which reads as follows:

"SEC. 2. It is hereby declared to be the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation's children, and to encourage the domestic consumption of nutritious agricultural commodities and other food, by assisting States through grants-in-aid and other means in providing an adequate supply of foods and other facilities for the establishment, maintenance, operation, and expansion of nonprofit school-lunch programs.

"SEC. 3. APPROPRIATIONS AUTHORIZED.—For each fiscal year beginning with the fiscal year ending June 30, 1947, there is hereby authorized to be appropriated out of money in the Treasury not otherwise appropriated such sums as may be necessary to enable the Secretary of Agriculture to carry out the provisions of this act."

Then this statement goes on to give the number of participants in the program in the State and in the country. It states here that it is contended that the basis for the Department of Agriculture's recommendations for reducing the appropriation is that more surplus agricultural commodities will be available under section 32. We respectfully direct your attention to the following facts in the statement with reference to this line of reasoning:

Commodities available to us under section 6 are of the type and variety considered more desirable in the schoolchildren's diet and need not necessarily be in surplus supply.

Commodities available to us under section 32 are limited to such items as may be surplus in the market from time to time, and experience indicates that the variety is limited and the supply uncertain.

The Department of Agriculture estimated that the fair market value of donated commodities available under section 32 would be $123 million for the fiscal year ending June 30, 1954.

Their guess was 30 percent too high. They again estimated that the value of such commodities for the year ending June 30, 1955, would be $150 million and, again, their estimate was 130 percent too high. We fear that their estimate for the year ending June 30, 1956, probably will be greater than the amount actually subscribed.

The total amount of cash to be received by the Chicago Board of Education this fiscal year is estimated to be $385,000. If we are to lose that source of revenue after June 30, this year, it will be necessary to increase the cost of

lunches to students considerably. The reaction of parents and the community in general will inevitably be unfavorable to such an increase. Labor and operating costs in connection with the school-lunch program has risen sharply in the last several years and has been offset, not by a rise in new prices but rather by the steadily increasing aid in our State government and from our own local funds. We feel that we are doing our part both locally and at the State level.

Gentlemen, I would like to say to you that in Illinois, we have tried to do a conscientious job in getting State aid in the legislature. However, we are to the point now, where even State aid has decreased. The State legislature has appropriated nearly $3 million, at the last session of the legislature. However, at the end of each year—say last month—most of the fund ran out, because of the increased enrollment of schools. Just recently we had a decrease from 3 cents per lunch to 2 cents per lunch, and our Federal aid has gone down from 9 cents a lunch to 3 cents a lunch. And now we are getting hardly anything.

I sincerely trust that the members of this committee will consider restoring that cut, because the benefits from the school-lunch program in our community has been great. I can tell you as a result of the school-lunch program that most people in our community are very health conscious. Also, we have followed through with dental tests. For instance, in the last 8 years we have had dental tests which have shown that there has been a marked decrease among tooth decay and mouth diseases and a contributing factor, of course, has been the school-lunch program and the wonderful milk program that is in operation.

Gentleman, I can tell you further that when this program was introduced in the Back of the Yards district, that many of our people were not used to the balanced diet that they have today. Lamb was first introduced into our neighborhood when the school-lunch program came into being, and the people there who had been used to eating a lot of starches, pork, ate these new and nutritive foods. The use of carrots and other vegetables were introduced. We owe a lot to the Government for its participation. I think that you will agree that there has been a marked decrease in Federal assistance and the Federal Government has been steadily giving less and less each year. We beg of you not to terminate this wonderful program that has done so much for the health and welfare of the children in our community.

I would like to state, too, that as a result of this program, we have seen a marked decrease in delinquency.

I am not a sociologist and I don't have any statistics to support that claim, other than the fact that the Saturday Evening Post, in a series on crime delinquency, stated that the Back of the Yards district has one of the best preventive programs in delinquency in the country. I can tell you that children can assimilate education much better on a full stomach, with a well-balanced meal, than they can on an empty one. I want to thank the members of this committee for the cooperation that they have extended to our organization. Each year, when we come down here, you have been most patient and kind. And thanks to your efforts and the efforts of Congressman McCormack, this program has developed to such a point now that it is in practically 90 percent of the schools in the city of Chicago.

Mr. MARSHALL. We appreciate your coming before this committee. I think we should call your attention to the fact that this committee hasn't taken the Bureau of the Budget estimates as more than guideposts in the past. We have been very interested in the school-lunch program, as you have stated, and we have appreciated your remarks.

Now, I think I can say for the committee that any proposal to distribute milk will be over and above what the school-lunch fund would be. We expect, in other words, to appropriate funds for the school-lunch program upon the basis of justification for that program. The other program is a supplement to the school lunch program, not a replacement for the school lunch program. I am sure I speak for the committee in that regard.

Mr. MEEGAN. The additional milk the youngsters have been receiving has been very, very well received, particularly during this holy season of Lent when most of the people in the parochial schools go to church every morning. They get milk right afterward. They get milk twice a day, and it has been a godsend. Certainly we have received a lot of wonderful reports on that program.

Mr. MARSHALL. We are glad to have that report, too.

Mr. MCCORMACK. They have a sort of a government of their own there—this Back of the Yards movement. It is really a revelation, what work they have done out there. All the religions, all business, labor, all organizations—they have a sort of a congress that meets and they legislate. It is within the community of Chicago. From it, not so many years ago, due to living conditions, came delinquency and crime.

Mr. MEEGAN. The Back of the Yards Council is an organization of all people in the labor, church, business, fraternal groups in the area, who have banded together to promote the general welfare of the area. We recognize that we have problems. We further recognize that the ones who are best suited to meet those problems and to correct them are the people themselves. We have our responsibilities and we are willing to meet them. For instance, we realize if we have dirty alleys or streets it is not the public officials who are responsible; it is we, the people. If we buy garbage cans, and clean our streets, and cooperate with our public officials with regard to housing and health and other improvements, we will have a better community.

In that respect I might point out to you that when this program first started, the Mexican youngsters were first coming into the area and because of the school-lunch programs, children from several schools got together at a public park. At that time the Polish children went to a Polish school, the Lithuanians to a Lithuanian school. Now, most of them are cosmopolitan. In the one Lithuanian school there are 167 Mexican children who not only speak English and Spanish but have also learned to speak Lithuanian. They have actually eaten democracy in this program. They have sat down together, people of all different groups. Of course, out of that came the idea for the program of the Back of the Yards Council, of people participating in all different projects of the community, for instance, in our conservation program, we are not of the belief that the solution to conservation in neighborhoods is land clearance. We believe that our homes are just as good as we make them, and if we remodel those homes and modernize those homes, there is no reason for us to leave our churches, schools, parks, places of business, and places where we re-

ceive a living wage—in the stockyards and the central manufacturing district. This program has all the different forces of the community participating—industry, business, real estate, churches, and labor. They have banded together and one great part of the program is that it is working. It has been shown so clearly that people from other communities, from all over the country, have used it as a model.

Mr. NATCHER. I want to thank this gentleman for the fine statement he has made to the committee. I want to join you, Mr. Chairman, in thanking John McCormack for appearing before our committee at this time. Our distinguished majority leader, Mr. McCormack, of Massachusetts, has always been interested in the school lunch program and has always been on the side of the schoolchildren of this country.

He realizes, Mr. Chairman, the same as we do, that our children are the greatest asset that we have. I want to say to you, Mr. McCormack, in my opinion you are not only one of the great men in the present Congress but one of the greatest men who ever served in the Congress of the United States.

The young Members of this Congress, Mr. Chairman, as you well know, love and respect John McCormack. He is never too busy to aid and assist a young Member regardless of his politics. We appreciate your coming before our committee.

Mr. MCCORMACK. I am deeply indebted. I cannot answer those very generous remarks, because I don't feel I am entitled to them. I value the fact that you think that way and have expressed yourself accordingly. Thank you very much.

Mr. HORAN. I might say, as a Republican, I haven't anything against John McCormack, myself.

It has been very interesting, Mr. Meegan, and I want to congratulate you.

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WASHINGTON, MARCH 9, 1955.

SCHOOL LUNCH PROGRAM

**WITNESS**

**MISS MARGARET McFADDEN, BOARD OF EDUCATION, JERSEY CITY, N. J.**

Mr. MARSHALL. We have now before us Miss Margaret McFadden. We will be very pleased to hear from you, now, Miss McFadden.

Miss MCFADDEN. I think some of you gentlemen were here last year.

All I can say is that we really do need the luncheon program continued very, very badly. It is very, very urgent not to eliminate section 6 funds. Without that it would just be impossible to do a good job. In Jersey City we do give away approximately 1,100 free meals a day. It will increase. We have more demand weekly for more free meals. Jersey City has been the first city that ever started Mongoloid classes for children, rather than have them sent to Woodbine Institute and various institutions. We have classes for Mongoloid children, for the crippled children, the very poor children, and we have a num-

ber of colored children. We have the children coming in from South America and Puerto Rico, and they all must have good food. These children are constantly sick with colds. They automatically pass them on to the healthy children. We have a nurse who every week checks these various groups of children. If they are underweight they are automatically brought into the free lunch program, so that every week it fluctuates. We really do need to start serving another 150 or 200 free lunches a week. Congressman Sieminski said he hoped you people would be just as generous and just as liberal as you were last year with the school lunch program.

Mr. MARSHALL. You have a very fine Congressman in Congressman Sieminski.

Miss MCFADDEN. We certainly have.

Mr. MARSHALL. We value his services here very much.

Miss MCFADDEN. He is a very fine man. He is very well respected in Jersey City. He can tell about the day when he went into Poland. He said when he saw those children and their bodies, how thin they were, and the rickets that they had, he realized how important it was to continue with the school lunch program. He is a wonderful man, he is very well liked in Jersey City. He will go out of his way to do anyone any kind of a favor he can possibly do. Now we have Congressman Tumulty. He is just new here, but he is very well liked.

It was Congressman Sieminski who did such a wonderful job last year with you gentlemen, and I know at that time you said he was so very well liked.

Mr. MARSHALL. We all appreciate the good comments that are made about our colleagues.

Miss MCFADDEN. The Congressman phoned this morning that he is tied up with the Interior meeting. He said he was quite sure you gentlemen would go along with us this year, and I hope you will. If it is possible, we would like to get even more money. We haven't gotten any wonderful beef and wonderful turkey this year, and if you could see some way to buy some of that for us, we would appreciate it. We could also use more of that wonderful Wisconsin cheese.

Where children are concerned, and handicapped children, it is very, very important that they get the right type of food. And high-school students should be given a fine, basic lunch, in order to induce them to remain in the schools and cafeterias, so that they are not on the streets, eating the wrong food, and getting in with the wrong people. We have found out that some of the juvenile delinquency we see in New York started with the students going out and buying various things on the corners for lunch, soda pop and sandwiches, and loose cigarettes. They apparently had gotten some of those marihuana cigarettes that way. They claim that was the start, there, in New York, about 2 years ago, of that dope problem among the young children.

Mr. MARSHALL. Thank you very much. You have given us a very fine presentation, and we appreciate that.

THURSDAY, MARCH 10, 1955.

EXTENSION SERVICE

WITNESSES

HON. CARL ALBERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA
HON. CLIFFORD R. HOPE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS
LOUIS E. HAWKINS, CHAIRMAN, EXPERIMENT STATION LEGISLATIVE COMMITTEE, STILLWATER, OKLA.
J. O. KNAPP, DIRECTOR OF EXTENSION SERVICE, WEST VIRGINIA
L. C. WILLIAMS, DIRECTOR OF EXTENSION SERVICE, KANSAS
M. C. BOND, DIRECTOR OF EXTENSION SERVICE, NEW YORK

Mr. WHITTEN. We have with us some of our colleagues, who are here today with the Association of Land-Grant Colleges and Universities. I know Congressman Albert, Congressman Hope, and Congressman Teague are all very much interested in the land-grant colleges and experimental stations. We will leave it up to our colleagues to present their statements in any manner they may wish.

Mr. ALBERT. I am happy to present to the committee a distinguished citizen from my State, Dr. Louis Hawkins, who is director of the experiment station. He comes here not simply as a representative of the Oklahoma Agricultural Experiment Station, but of the national organization. Dr. Hawkins has distinguished himself in this field and it is a privilege for me to be able to present the man who speaks for a program of this importance, nationwide, who comes from my own State. We are all, I think, aware of the importance of research and education as a part of the agricultural program. Particularly the cooperative system that has been built up to our land grant colleges. I think everybody is for expanding these services just as fast as the expansion can take place consistent with the proper expenditure of Federal funds. With that, I take pleasure in presenting to the committee Dr. Louis E. Hawkins, whose statement I would like to have at this time.

Mr. WHITTEN. We will be happy to hear hear from Mr. Hawkins.

STATEMENT OF LOUIS E. HAWKINS

Mr. HAWKINS. We come here this afternoon, Mr. Chairman, and gentlemen, expressing appreciation to our own immediate representatives in the Congress for accompanying us here to this hearing room, and to this committee, for hearing such comments as we can give you to add to what already appears in your records, in behalf of the request for funds in support of agricultural research and education as would be appropriated by the Congress.

We are fully cognizant of the sympathetic feeling of this committee in the interests of agriculture. Therefore, we clearly recognize that it is not our function this afternoon to undertake to sell you men even on these approved aspects of agriculture, namely research and education. Namely, we are hopeful and presumptuous enough to discuss the subject with you, with the hope that some comment or other we may make may strengthen your hand in presenting the case for research and education to your colleagues in the Congress.

I know you were impressed as I was with the appearance in this national magazine sometime ago—Life magazine—a story of agriculture. To the layman, particularly who nowadays less and less has opportunity to become acquainted with agriculture. We join you this afternoon in a subject that you are concerned with and our committee representing, as has been suggested, here, nationwide coverage in these particular phases of agriculture improvement—in my case, through research. I want, therefore, to present to you the members of the experiment station legislative committee and have each of them raise their hand as I speak of them.

Over here is Director Varney, of West Virginia. Down the way is Russ Thackrey who is executive secretary of the Association of Land Grant Colleges and Universities and as such we regard him as ex officio member of this committee.

A couple of steps beyond him is Dean Weber, of Kansas, who is chairman of the experiment station's policy committee, and as such would be ex officio, a member of our legislative committee.

Director Buchanan, of Washington State, director of the experiment station, there.

Mark, would you please present a friend of yours that you have in the room?

Mr. HORAN. I would like to present Roger Hamilton, one of the regents of the State College of Washington and one of my distinguished constituents from Okanogan County, Wash.

Mr. HAWKINS. We wish to speak in behalf of the request in the regular budget appropriation which is earmarked as Federal-grant appropriations to the States for the partial support of agricultural research. This item, authorized under a considerable number of different acts, will be found in the formal budget request for the Department of Agriculture.

Our committee wishes first, to express appreciation for this opportunity of adding information to your records as to need for the funds that have been requested, and to explain further the ways in which the funds will be expended. You have heard those officials of the Department of Agriculture who are charged with administration of these Federal-grant funds to the State experiment stations. Our committee comes to add its comments and to answer your questions concerning the need and use of these funds.

Let us face up at the very outset to the recognized fact that certain farm commodities are ill adjusted in supply to effective demand at present. The uninformed or short-sighted layman is apt to think that research into the production of wheat, cotton, butter, and beef might well be suspended for a time, to allow consumption to catch up with production of those commodities.

But look again! I referred to production being out of line with effective demand. Butter is not in oversupply, basically. It is just priced out of the market. Its cost of production is too high to meet the competition of vegetable fats.

Likewise, cotton's toughest problem is to successfully meet, and beat, the competition of synthetic fibers. It is a competition of both cost of production, and improvement and standardization of quality. The potential consumption of cotton in the United States, to say nothing of the rest of the world has not yet been realized.

And beef. The cattle industry manages to continue operating at a profit, less profitable though it is less than 3 or 4 years ago.

Further lowering of production costs through research would aid the cattleman greatly. The worst thing that could happen to him would be for him to turn his back on a beef-eating public, fall for an economy of scarcity, and price his product even part way out of the market.

Of the four commodities named, wheat alone probably has come nearest realizing its quantitative potential in the present consuming market. But the cost of production of wheat, too, can be lowered appreciably through research in soil productivity, plant breeding, insect and disease control, and further efficiency in handling, processing and marketing.

The grower of these commodities which are in large supply at present prices, feels at a loss to know where to turn for other more profitable crops to plant on acres diverted from the "quota" crops. Unfortunate, isn't it, that research has been too inadequately financed to do all it has accomplished over the years; and also to discover, develop and otherwise perfect production and processing of new, alternative crops; and to discover and perfect new products out of the very crops that are now in surplus?

There is a special need for increasing the basic or fundamental research relating to production, processing, and utilization of all farm commodities. Applied research is fine, valuable, and highly profitable to the farmer and the consuming public. The annual return is new wealth—I specify new wealth because you men are fully cognizant of the multiple turnover of new wealth in commerce and industry, but this first turn of new wealth for funds invested in this type of research is never less than a hundredfold—a thousand percent—$100 for every $1 invested. Even so, the real forward advances in agriculture, those of the greater magnitude, have resulted from more basic studies. I refer to such discoveries as balanced rations for livestock and poultry, hybrid corn, hybrid broiler chickens, hybrid pigs, vitamins, antibiotics, growth hormones, herbicides, vaccines, and synthetic feeds and fertilizers.

You can't trigger this agricultural research up, then slow it down, then speed it up again to pace with the weather, the current year's general business activity nor the housewife's fluctuating budget for food and fabrics. In fact, the only possible way for the researchers to have the solution ready and available when needed is to anticipate the problem and find the answer in advance. Said another way, progress will be possible only so long as we keep the hopper of unused information fairly well filled, to be drawn upon in one way or another at all times. The day the American farmer catches up with his researcher is the day that American agriculture will start slipping backward. Drought, pests, soil erosion, and other enemies of production will never permit the farmer, nor the researcher before him, to mark time.

Two new appoaches to research in agriculture are being emphasized by the State agricultural experiment stations. One is the teamwork approach by which specialists in several subject-matter fields join hands in a combined attack upon a problem. An example is the research team working for the improvement of the production of cotton, including related processing, handling, and marketing of cotton. This team is made up of one or more specialists in each of the following fields: Plant breeding, plant pathology, insect pests, plant

physiology, soils and fertilizers, farm machinery, irrigation, cotton ginning, farm management, marketing, and utilization studies.

All of the foregoing categories of scientists have done excellent specialized research over the years, and some of them have combined efforts to integrate their findings into guides for the farmer. The new emphasis carries the teamwork arrangement still further, actually uncovers even more specialized work to be done in each of the component fields, but achieves a coordination of effort which results in a rounded program of improved practices for the cotton grower and associated trades.

The other new research approach is the regional project, in which researchers in several States combine their efforts in a joint attack on the problem. Successful attempts at this approach in a few projects in the 10 years just prior to 1945 led to inclusion of special provision for it in Federal-grant legislation in 1946 and, of course, many of you gentlemen have had a part in that legislation. This regional approach has figured so prominently in the programs of the State agricultural experiment stations in the past 8 years that all of the funds earmarked for this purpose in the law have been used, and 3 times that amount has been added from other funds in support of these regional projects.

State legislatures and private industry have stepped up their support for agricultural research markedly in recent years. A recent analysis shows the present dollar support in non-Federal funds to be four times the Federal-grant funds to the State experiment stations. In fact, until the current fiscal year, the buying power of all Federal-grant support actually fell below and remained below pre-World War II buying power of such funds, notwithstanding nominal increases in Federal appropriations under the so-called Research Marketing Act.

The need for added support to agricultural research continues to grow as further opportunities for profitable investment in this work are disclosed

Table I which I shall not read, but I invite you gentlemen's attention to on this statement I present, table I, shows the lines of research and relative emphasis—if we can take dollar value as a measure of emphasis—which the State experiment stations propose for the use of the $5.3 million increase requested in the 1956 budget, over the current 1955 budget.

(The table referred to follows:)

TABLE I.—*Increases in payments to States for agricultural research, 1956 budget estimates*

[In thousands of dollars]

| Area of investigation: | *Amount* |
|---|---|
| Field and forage crop production | $685 |
| Horticultural crop production | 258 |
| Forest production and management | 124 |
| Plant diseases and insects | 479 |
| Animal, dairy, and poultry husbandry | 726 |
| Livestock diseases and parasites | 449 |
| Soils, irrigation, conservation and management | 547 |
| Farm mechanization and structures | 298 |
| Economics of production | 333 |
| Human nutrition, home management and family living | 287 |
| Utilization of agricultural products | 50 |
| Marketing of agricultural products | 1,064 |
| **Total** | 5,300 |

In contrast with manpower shortages of 10 years ago, trained personnel can be had now to utilize fully and effectively the increase that is requested. It should be recognized, however, for the present and the future, that salaries must be raised and working facilities must be improved for agricultural researchers, if we are to continue to attract men of greatest potential capabilities into training for research, and make best use of them after they are so trained.

The close coordination of research conducted by the State experiment stations with that conducted by the United States Department of Agriculture makes for maximum return in results, and avoids unwise use of the taxpayers' money when put to this activity. That sort of coordination is exercised regularly and continuously, by means of the effective administrative organizations of these two public agencies.

I refer to the United States Department of Agriculture and the State agricultural experiment stations.

Finally, gentlemen, we would call your attention to the close working relationship of USDA research groups and the State stations with extension education, the "action" agencies and the regulatory agencies. It is this tested and effective teamwork of USDA, the land-grant colleges, and the State departments of agriculture which makes American agriculture, i. e., the American farmer, related commerce and industry, and the consumer beneficiary; the envy of the civilized world. Also, our strongest defense in these troublous times is an aggressive offense. We can forge ahead in foods, fabrics, related industry, and improved living in our own country, and at the same time guarantee to our Nation this indispensable sinew of strength. All this is possible through research, and at no net cost but at a fabulous net profit to the taxpayer. We believe you gentlemen want to help us achieve this for your constituency.

Mr. WHITTEN. Thank you, Mr. Hawkins. We always welcome the statements and participation of the land-grant colleges.

STATEMENT OF HON. CLIFFORD R. HOPE

Mr. HOPE. Mr. Chairman, I am happy to be here today. I am sure it isn't necessary for any of us to present those representing the Extension Service, but Dr. Knapp of the Extension in West Virginia, will present the statement and he will also present some of the directors from other States who are here, including Dean Williams of my own State of Kansas, whom I am proud to be associated with. I don't think it is necessary for me to make any statement at all to this committee. All of us appreciate, I am sure, the tremendous accomplishments of the Extension Service. It is not only the greatest education program in the world, but in the 4–H Clubs of which we are all so proud and whose accomplishments any of us could talk on for an hour, I am sure, are all a part of the great work of the Extension Service.

I know in the past year the additional appropriations this committee was able to make last year enabled the Extension Service to expand its activities and I am sure, as Carl says, we want this work to be expanded as fast as it can be done. There is work to be done and we want it to be done when and as the funds can be made available for that purpose. Certainly there is nothing in this country as

dynamic, now, as its agriculture. In fact, it has become so dynamic here in the last few years, as far as the increase in productivity is concerned, that we have some problems on that account, but I am sure there are none of us who feel that that isn't a good thing. We are all of the same opinion, I am sure, that any increase in efficiency and productivity in agriculture, is not only a good thing for the farmers, but perhaps it is a matter of even greater importance for the consumers of this country, and perhaps they have gotten greater benefits in some ways, out of this greatly increased efficiency in agriculture, than have the farmers themselves.

I am very happy to present Dr. Knapp, who will present his associates here when he makes his statement.

Mr. WHITTEN. We will be mighty glad to have that statement from our friend and colleague who has been head of the Committee on Agriculture, and who is now the ranking minority member. I can't help but point out sometimes, Mr. Hope, the records in our hearings, at this time, to point out that even though the Commodity Credit Corporation charter authorizes the sale of any commodities it has on hand in world trade on a competitive basis, the records show that for a period of some 8 or 10 years we have not offered basic commodities which we have and which we hear so much about; they have not been offered in world trade for dollars, on a competitive basis. The solution to our production problems perhaps are not easy, but I can't help but say in the record that the easiest and most normal means of handling such things would be to offer them for sale and make the price competitive.

I realize my colleague from Kansas is very much in favor of the sale of such commodities and I know we have joined many times in other efforts or I have joined him in other efforts to move them, but I would like to say that all of our production problems are not because of the the size of the production but because, having produced them, we don't sell them.

We are pleased to have Dr. Knapp with us, at this time.

STATEMENT OF J. O. KNAPP

Dr. KNAPP. We certainly appreciate Congressman Hope's coming over with us and the very generous introduction.

Before I start with the formal statement which our committee has prepared, gentlemen, I would like to present directors from some of the other States who make up the committee meeting with you here today.

I would like at this time to introduce Director Gibson, of Texas, and Director Bond, of New York, and Director Williams, of Kansas.

We appreciate the opportunity of appearing before you to discuss the work of the Cooperative Extension Service. While each of us work in our respective States, we are appearing before you as a committee representing the extension directors in all States and Territories and the Association of Land-Grant Colleges and Universities. We are presenting this statement in support of appropriations for the furtherance of extension work in agriculture and home economics.

The Nation's leaders are agreed that a strong and vigorous agriculture is essential to the well-being of our country. It must continue to

be sufficiently productive to meet the needs for food and fiber of a steadily increasing population. If the business of farming is profitable the operator and his family will continue to make their improvements which result in greater efficiency in agricultural production and which will assure an abundant supply of food, fiber, and forest products so essential to keeping our Nation strong.

In recent years, the application of scientific knowledge to the practices of farming has pointed to great potential production possibilities. While some farmers have clearly demonstrated the value of using new methods and techniques, many farmers have made only partial use of the tested results of research. Some have made substantial gains in feeding, breeding, and care of livestock, but have not yet applied the same up-to-date knowledge to their crop production.

Agriculture, like other businesses, is faced with constant change. Some of these changes, such as declining farm prices and shifts in raw materials for industrial use, are beyond the control of the individual. But the effect of some of them can be minimized if proper application is made of available knowledge. For instance, the farmer who has been adequately armed with suitable information may and does change his farming operations in view of prospective prices and probable demand for farm products at home and abroad.

But, as we all know, puzzling problems are worrying the farmer. Annual cash costs of farm production are the highest in history. The national average capital investment per farm worker has gone up about four times since 1940—to about $20,000. That is double the investment per worker in many industries. Short-term and mortgage debts are increasing. The risk factor is greater than ever before. Farmers can no longer afford mistakes in management, for an error in judgment could well wipe out the equity of a lifetime.

Although farmers now justifiably enjoy a better level of living, it requires considerable out-of-pocket expenditures to maintain and improve. Better housing, more conveniences, increased educational and recreational opportunities, balanced diets, electricity, and similar advantages take their toll on farm income.

In addition the farmers must consider such things as the necessity for maintaining the productive capacity of the land, the trend toward greater farm mechanization, and inflexibility of marketing costs which throws the burden or price declines on the farmer.

With difficult management, production, and marketing problems confronting him and faced with a decline in prices without a comparable reduction in costs, the farmer is quite conscious of the serious challenge of adjusting his complex business. This adjustment is essential in order to make the most profitable use of his resources and, at the same time, keep his expenses at a manageable level.

Basically, as we all realize, the core of the problem is to improve agricultural stability by raising income and reducing costs. Progress in this two-pronged attack is possible to a large extent through helping the farmer to help himself by making wise management decisions, by increasing his production skills, by improving marketing processes, and, at the same time, conserving the soil.

This is a gigantic educational task, but one which seems desirable on every farm, in every rural community, and in the market place. It is a task for which the Cooperative Extension Service, with

its 50 years of experience, and the great reservoirs of research knowledge, is well fitted and prepared to do with an adequate staff.

One of the educational methods that has been given increasing attention by extension workers in contributing to this objective is the farm-and-home unit approach.

This is a method of bringing all resources of knowledge, technical and otherwise, to bear upon the problems of the farm and home. Although to some extent its application varies State by State, essentially it is based upon a plan which is developed by the farm family itself to meet its needs. The method takes into consideration all the resources of the farm including the soal and its fertility. Production opportunities form the basis for the farm and home plan developed through family consideration and decision.

In using this method, the job of teaching, as done by the county extension agent, is based on the demonstration. This has long proved effective as a means of getting research findings into use. As research has developed more factual information about production and marketing and their interrelations, the need for putting techniques and practices into a workable pattern becomes an essential part of successful application. The result is a demonstration of good farming and homemaking designed to meet today's problems.

The farm and home unit method requires the participation of all agencies having services that help in forwarding the plans.

While some extension personnel are working directly with farm families who have requested such assistance, every means will be used to carry the results of these farm and home unit plans as demonstrations to the entire county. Although this method is being intensified, it does not replace other types of extension work carried on through meetings, organized groups, mass communications, and the like.

Beyond the farm fence lines, as within, are many pressing problems of marketing and food-consumer interests and welfare. The annual cost of marketing services for food products alone runs to more than $20 billion. There are more than 2 million buyers, processors, wholesalers, jobbers, retailers, and others who handle agricultural products.

Changes in transportation, refrigeration, processing, packaging, and merchandising combined with shifts in markets pose many new problems which call for a balanced extension program which will speed the adoption of marketing efficiencies and the prevention of waste.

Marketing is likewise incomplete until the consumer understands how to buy for health and economy, how to care for, and how to use the products of the farm.

Workers trained in marketing and consumer education are needed to work with the persons who perform the marketing and retailing services. Extension work already started offers great promise of future accomplishment with an enlarged educational program in this area of marketing and consumer education.

But the farm problem is not entirely one of production and marketing. The home plays a vital part in farm success, family happiness and prosperity. Living cannot be divorced from earning a living. The two are inseparable.

Homemaking, with its many demands and interests, is indeed a business by itself. The farm wife and mother needs information and

training to stretch the family dollar. Wise buying, thrift, keeping the family healthy through nutritious diets, better home management and work methods, handy equipment, caring for children, making the home comfortable and attractive, helping the husband in making management decisions—these are among the homemakers responsibilities and provide the basis for home demonstration work. The home management side needs consideration in rounding out a balanced approach to the problems of rural life.

Likewise, the future destiny of America will be determined by leaders who as young people now are forming their character, acquiring knowledge and abilities, and learning citizenship responsibilities. The farm's most prized gift to American democracy is its boys and girls.

4–H Club work is an important, integral part of the Cooperative Extension Service. Its influence reached 2,058,000 boys and girls in 1953 with educational programs that supplement the work of public schools. County extension agents train and service the needs of more than 320,000 local voluntary 4–H Club leaders who are the counselors and teachers for this program.

Each of the 87,000 4–H Clubs is a community proving ground or demonstration for improved scientific practices in agriculture and home economics. The projects and skills undertaken by 4–H members are based on practical real-life situations and are interwoven with significant character-building experiences. The end product is better farmers, better citizens, and better leaders for the future.

Half of our rural young people move to the cities for employment or to establish homes. Those who have a 4–H club experience before they leave are better skilled mechanics, happier homemakers, or more successful businessmen. They have learned the dignity and value of work; they have an appreciation of scientific methods and they have learned to work cooperatively with other people.

An important by-product of 4–H club programs for youth is the influence on parents and the community. Literally thousands of improved farms, herds, and homemaking practices have developed from the new or improved ideas that enthusiastic 4–H youth have sold to their parents and neighbors. Seventeen million 4–H alumni are today a potent influence in America.

Young farm people, too, find it increasingly difficult to start in farming. Where brawn and endurance were once their main asset, the requirements today are capital, technical knowledge, skill, and experience. This poses a problem which is fundamental to the Nation. The resources of knowledge and the help of extension workers are required if the young people who wish to stay on the farm are to achieve a satisfying life there.

The Extension Service which has been coping with these and many more rural problems to the extent possible with its present organization, is a cooperative activity. It is sponsored, financed, and conducted as a partnership undertaking by county, State, and Federal governments.

It relates scientific knowledge in practical ways to the native initiative and resourcefulness of farm people. Its program is developed by local groups in the counties after full consideration of their own problems and the knowledge to which cooperatively employed county extension agents have access.

The Cooperative Extension Service also functions as the educational arm of the United States Department of Agriculture. It is its responsibility to inform rural people about the various programs of the Department and to help them take advantage of the opportunities they provide.

In their capacity as representatives of the Department, the county and State extension workers must familiarize themselves with Department programs to be in a position to explain and interpret them to farmers.

With the many decisions that farm people must make regarding their farm operations and how the USDA programs fit into these operations, they need a readily available source of information.

Under such circumstances, farm people look more and more to extension workers for information dealing with vital matters as marketing quotas, acreage allotments, Federal orders, income tax, social security, and many other nationally legislated program.

Naturally, too, they come to extension workers for assistance in times of drought, flood, and other emergencies.

In this area of serving the public and the farmer's interest in helping to make national programs more effective locally, the State extension services are most appreciative of the capable leadership provided by the Federal Extension Service and the factual knowledge provided by research agencies. We look to the Federal Extension Service to keep us briefed about the requirements of national programs and to give us consulting help in organizing educational support for them. This valuable service is in keeping with the memorandum of agreement between the United States Department of Agriculture and the State land-grant colleges.

Naturally, with these many county activities of public agencies in which farm people have a stake, the opportunities for teamwork are numerous. Likewise, since the workers in such agencies are human, the opportunities for misunderstanding will continue to exist.

We recognize the vital importance of all such groups working together to carry out effectively the purpose and intent of the law as legislated by the Congress. We are proceeding on the premise that the purpose of all legislation and the appropriation of funds is to serve all the people of this country.

We believe that the land-grant colleges can play and are playing an important part in helping to maintain desirable working relations and understanding between agencies.

As cooperative employees of the land-grant college and the United States Department of Agriculture we conduct our activities to achieve the greatest possible service to the people of our States and to the Nation as a whole.

We realize that we have a large responsibility. But we have great faith in agricultural progress achieved through improved farmer understanding, through knowledge and skills acquired by a successful blending of research, education, and informed individual and group action.

Extension agents now employed already have full-sized jobs and further assistance will be needed to strengthen extension work to the point where it can cope with the increasing size of the educational job.

In our opinion, it is only through the employment and maintenance

of adequate, well-trained county extension workers, backed with sufficient supervisory and specialist help and with continued research, that such a large teaching load can be carried on effectively in the best interests of all people.

We commend for your consideration the request for increased appropriations to strengthen extension work in its long established and effective pattern. We also commend for your consideration the request which is being made for increased appropriations for research. The firm foundation underlying all Extension Service education consists of research results obtained through the program cooperatively conducted by the land-grant colleges and the United States Department of Agriculture.

Gentlemen, I thank you for listening so patiently to this statement. We will be very happy now if we can answer your questions.

Mr. WHITTEN. Thank you, Dr. Knapp. I would like to point out that last year, and again this year, the increases for the State experimentation stations and the Extension Service have come at the expense of taking the money from such programs as school lunch, eradication of brucellosis, fire prevention in the States, flood prevention, and servicing new soil-conservation districts. This committee and the Congress is faced with either not going along with your increases or going along with cuts in these other programs or else be accused of not trying to balance the budget. We are caught in the same fix as the man when he was asked whether he had stopped beating his wife. We either have to turn you folks down or we have to exceed the President's budget and further unbalance the national budget, or we have to vote for elimination of funds under the school-lunch program and these others.

I mention that so that you may have some appreciation of our problem.

I have listened with a great deal of interest to the statements on the value of research. I believe I offered the amendments on the floor in—I know I prepared them and made the closing arguments—to implement the Research and Marketing Act of 1946, which our distinguished colleague from Kansas helped to write and pass and to which his name is attached. I have been a strong believer in research. But, when we deal in anything in broad terminology and let it go at that, we may be shirking our job. We need to look behind and see what is being done.

The hearings this year disclose that, of the funds appropriated last year for research, a part was used for the research on the Flora of Dominica and the orchids of Guatemala. Also, funds were used to find out what clothes rural people in four counties in Kansas had, against what the folks in towns had. Another was on the changes in behavior of children in Southern States in this generation.

As we analyze this problem, we have the twofold purpose of trying to support you in very fine work and also of looking over your shoulder to see how the funds are being used, to try to direct them in the most effective way.

I also want to take this occasion to point out what the story is with regard to extension—and believe me, I don't believe any of you have better friends in the Congress than this whole committee, but the records show that with extension a considerable part of the increase approved last year was used in some counties to increase county agents

from 1 to 5 and to assign to each county agent approximately 50 families for close supervision, which looks to me like the Farmers' Home Administration approach.

If you extended this throughout the country, you would have 100,000 agents. In one State they put on 23 specialists. I am telling you things that perhaps you people don't know about. So, I hope you will direct some of your attention to what efforts we in Congress should make to see that this money is used in the right way.

We had a man from Iowa come before us. He was in the apple business. He has a problem on a virus which is striking the fruit trees out in that area. It is a local problem and a terrific problem.

The people in the State say, "It is not something for which we have money," so they send him to us. Then the Department of Agriculture people tell him, "We are sorry; we don't have the money to do it."

Both of them say they will do it if we will give them more money. That is what we get when we try to get the researchers to meet a new problem. Everybody says, "Get us more money."

There are a lot of problems connected with research and extension. In research, you must get the money and personnel. Then you must make every effort to apply the effort to the place where it will bring real returns. And the only purpose of all of that was to get action taken on it.

I would like to know where we are going to use these proposed increases. Are we going to put five county agents in more rural counties in the South? Are we going to have more research on clothes in rural areas as against the folks in town?

I would like you folks to describe to me how the money is going to be used. It is hard to hold your friends back. When you have folks in every county and when you have the finest representation in Congress, it is hard to hold these things down. The only way I know to do it is to look at the actual application of the funds. Is the work you are going to do of sufficient consequence to increase the President's budget and say to the people of the United States, "Well, now we know that we need to bring expenditures and receipts into balance, but extension and research are exceptions." Do you believe in this enough to say that we should approve it, even though it exceeds the budget and further increases our deficiency this year?

Do you have any breakdown as to what particular work would be done with the new money if it were made available? Other than the word "strengthen," do you have any detail?

Dr. KNAPP. Well, I would say, Mr. Chairman, that we do not have a breakdown. As you are well aware, the funds are allocated to the States on the basis of a pattern which is in the law and each State, of course, would use the funds according to their needs.

Mr. WHITTEN. There is no way at the national level, then, to reach the type of projects I discussed earlier?

Dr. KNAPP. Such as——

Mr. WHITTEN. One of the projects was the effect on youth in the South of change in parental control, or something of that nature. One of the projects was a difference in clothing among rural people in 4 counties in Kansas as compared with people in the towns in those 4 counties.

Dr. KNAPP. Was that a research project?

Mr. WHITTEN. Yes.

Mr. HAWKINS. What funds were those?

Mr. WHITTEN. Funds made available to the experiment stations and funds carried in connection with the United States Department of Agriculture. In other words, both contributed funds to some of those projects, as I recall the record.

Mr. HAWKINS. What kind of funds were involved? The Federal grant funds to the States?

Mr. WHITTEN. The State made the grant from funds it had and the Department made an additional grant.

Mr. HAWKINS. State non-Federal funds.

Mr. WHITTEN. I don't know whether you keep them separate, or not.

Mr. HAWKINS. Every State, as you know, Mr. Chairman, keeps clear identity of the Federal grant funds separate from the non-Federal funds, in order to administer them according to the regulations required therefor.

Mr. WILLIAMS. Congressman, could we look that up and write you?

Mr. WHITTEN. Yes. That will be fine.

When we try to keep a sense of balance here, and when we believe in you, it is awfully difficult to keep from going overboard on this.

Mr. WILLIAMS. Could I say just a word about Kansas? You asked about the breakdown in funds: We would be glad to look that up because I do know of a project where we are covering a lot of things and that must be a part of it.

Mr. WHITTEN. One of the projects in the Northwest was on methodology. It had to do with the farm people, what social contacts they had, what kind of parties they attended, who their acquaintances were, and so forth.

In going into that kind of thing—I am not in shape to pass on its value. I just say it is not nearly as valuable as some other things I know of.

Mr. WILLIAMS. We would like to get you full information, Congressman. Since Kansas came out with her funds, our supplementary—we got $115,000 last year, after you took the farm and the rural population. We put on 24 folks in the counties, of which 4 were club agents, 4–H DA's, 1 associate agent, and it only took $1,500 in Federal money to do that, because we pay the lease from Federal. State funds and counties made up the other.

In the Federal home plan we just put 1 agent to a county, and we would start with that 50. These other funds go to soil conservation, and so forth, where we have the best of cooperation.

Now, there is 6 million ASC, this year, and there is only 35 percent of the farmers using them. Our expense showed that with that kind of cooperation—and we need more soil conservation, because we have one district in each county that takes over all the county. Every district has one. But farmers are not using those as best as they can, with the closest working relationships, because they don't know how to plan their income, especially with a drought here which would make those programs effective. We don't think you should take it away from other people. We think the whole line has to advance, Congressman.

Mr. WHITTEN. The reason I bring it up is this: Last year some of us on this committee were very much embarrassed because we had

a terrific drive to stay within the budget totals for the whole Department. Then the only way we could do any good for extension and experiment stations was by going along with the budget which took it away from the other programs I am talking about.

Had your request been sent down here in the President's budget to sell it as an increase, on its own merits, an increase over the preceding year, we could have met it on that basis.

I stood by my chairman, and it was not a comfortable stand. It is one of those things that you hate to do. We find this year the Department has sent it back to us in the same identical way. I wish you could see the literally thousands of letters from every place in the United States about the $15 million which this budget takes away from the school lunch. And the states have written me about taking away insect control funds, which they say are so essential for one State as against another State. Then those funds are in turn offered here as increases over last year for these two programs. That's the problem.

Mr. HAWKINS. We are here today in behalf of the figure which is in the President's request.

Mr. WHITTEN. That's right, but the President's overall budget cuts school lunch $15 million. Are you for that? It contains no funds for research in the Bureau of Human Nutrition and Economics on family budgeting and family care. You plan to use some of this money in the Extension Service to help the wives. The President's bulget leaves out the research funds for that work.

Mr. HAWKINS. I have something that bears on the subject, Mr. Chairman. I have here a little chart. May I ask that a copy go before each person present. A glance at this little chart will give you a picture of the appropriations of Federal grant funds to the States in support of the work at the State agricultural experiment stations. The item that we referred to earlier in the statement as representing $5.3 million increased request this year, that is to say, fiscal 1956, over 1955. I likewise mentioned and want to call your attention to the point, as further delineated in this chart, now, that the Federal grant support to the State experiment stations fell far behind, proportionately, the non-Federal support to this research, over the years, and with the advance of inflation—if it is an advance—the purchasing power of Federal grant funds to the State experiment stations decreased, decreased, and decreased steadily.

It decreased faster than did the little increases under the Research and Marketing Act, prior to the current fiscal year. In this fiscal year, 1955, for the first time in 15 years, the purchasing power of Federal grant funds has come up to what it was 15 years ago.

Now, so far as research is concerned, Mr. Chairman, and gentlemen, we appear before you today in defense of this little item of $5.3 million increase. We want to make our presentation without regard to other agencies. We recognize clearly the truth of what you have called attention to and we are fully cognizant of it. Rather we are presenting here to you gentlemen, we hope, an opportunity for use of the taxpayers' money to return to the taxpayer $100 on every dollar invested, for whatever it is worth on its own feet.

Now, we are in no position even to defend, and by that I don't mean that we are in any sense differing from it, but we are in no position to—I mean beyond propriety—for us as State representatives to presume to defend the program of the United States Department of Agricul-

ture doing direct research, a number of which items earlier, Mr. Chairman, you mentioned, we recognized to be a part of the program of the agricultural-research service and not of the State agricultural experiment stations. We were just hopeful and still are, as we said in the beginning, that we might bring something to your attention here that would strengthen your hand with your colleagues in calling attention to the enormous opportunity of return for funds invested in research, and we are presenting it to you utterly without regard to, or in comparison with, any other agency. Recognizing, however, that you are confronted with that decision, certainly.

Mr. WHITTEN. I thank you very much for the very frank way in which you have presented this. I know that counts with me, and I think it counts with the committee.

I am trying to point out to you some of the problems that we have. And I do want and have sought justification for the work as you see it, in its own name. You have made that type of presentation, which I appreciate.

Mr. HAWKINS. It is a matter of judgment and interpretation whom the money has been taken from, to give to whom.

We here are public servants serving the same public that you are. We are not requesting this thing on behalf of ourselves. We merely devote our lives to this subject, but we are requesting this as an opportunity to serve this great American public, both foreign and urban.

Mr. WHITTEN. That's fine. Those of us on this side of the table don't get any of the money either. We are trying to serve the public in trying to see that the dollars appropriated are well used.

Now, there are 2 or 3 things that I would like to ask you, which are aside from your statement today. I am sincere when I say that I don't know of any folks in the field of agriculture whose counsel I would seek more readily than my home county agent and the folks in my land-grant college.

The American farm program sets up a system of price supports. The same law provides for the sale of any commodities that the Commodity Credit Corporation may have in world trade for a competitive price. Whatever it taeks to sell it, is authorized.

The Secretary of Agriculture has not offered approximately $4 billion worth of commodities in world trade for dollars, on a competitive basis. The record shows that he stated that, in taking that action, he was following the advice of the trade. Subsequently, we have followed it up further and found out the trade is very much divided on the matter. Many elements of it strongly urge that we move them into world trade, or at least offer them in world trade, on a competitive basis.

I mention that because in one of your recitations, you said that the farmer had priced himself out of the market.

Mr. HAWKINS. On "a" commodity. Butter.

Mr. WHITTEN. Butter, until recent weeks, had never been offered in world trade on a competitive basis. It was offered at a prevailing price. I found out in Europe that one of our major problems with butter is that nobody over there uses salt in it. Any butter we offer has salt in it, because we like salt.

Dr. KNAPP. They reprocess it.

Mr. WHITTEN. Let's analyze this butter situation: The butter problem is in an area that is largely inland in the United States, an area

that by operation of various laws, can't send its whole milk into Washington, D. C., because through the board of health or some other way, they make it not so tight as to exclude them. Why is it folks in this great inland area have to put their milk into butter? Is it because their regular markets that they could reach with modern highways and big tankers is held away from them by operation of other laws. Could it be?

The point I make is that, when you say something is priced out of the market, we might look a little further and see if there aren't some other factors involved, because except for these other factors, your butter might have stayed in milk, and have been sold to a much larger extent.

Mr. HAWKINS. The point is we can't even eat butter inland where it is produced, pricewise.

Mr. WHITTEN. I recognize that price is a factor. But if the support level had been on milk so that most of it could go in milk, your support level on butter might have been reduced and it might have been competitive. The dairy farmer, if he could sell his product as milk at a good price, might not be as dependent on butter as he is now.

Mr. ANDERSEN. Right at this point, I would like to refer to the comment of Mr. Hawkins, that people cannot afford to eat butter inland. I can't agree with that. The average wage earner, today, can buy more pounds of butter with an hour's wage than he could back in 1939 or 1929, sir, according to testimony given before this subcommittee. Now, why can't he afford then to buy butter as he ordinarily did?

Mr. HAWKINS. Because he can buy vegetable fats so much cheaper.

Mr. WHITTEN. Some other substitute has come along and taken the market.

Mr. ANDERSEN. I could not hear your statement in the record and not say something to correct the impression you leave with the committee.

Mr. HAWKINS. The American consumer gets a far better deal today than he ever got before on all commodities.

Mr. ANDERSEN. That is a fact. The consumer has nothing to kick about, today. What is in the back of my mind is simply that the consumer is getting the larger share of the value of this very worthwhile research program. To me the big issue today is that we should train that research along certain lines so as to come more to the ultimate benefit of the producer, the farmer. With the farmer's share of the dollar spent for food sinking to 47 cents, the situation is becoming very serious.

Mr. HAWKINS. That is why I called attention to that magazine in the beginning, as being an item of information.

Mr. ANDERSEN. I'm glad you did.

Mr. WHITTEN. The more we unbalance the budget, the more we cheapen the dollar, and the less the dollar will buy. So we have helped in that direction.

Now, this is something else that doesn't concern this budget increase that you have recommended. This is completely separate and apart. I am seeking your counsel and advice: The records show in the last few years that the farmer's share of the consumer dollar has gone from 54 percent down to 43 percent. Yet, nearly the whole budget, here, is based on efforts and work on the 43 cents that the farmer gets—trying to see how he can live on a smaller share, you might say, by reducing

his costs more and more. I realize that is important. But, don't you gentlemen feel that the Department of Agriculture could well direct more attention to the 57 cents price spread from the farmer's hands to the consumer. At the present time the Department doesn't know who gets it. They know that somebody does. They don't know what part is freight rates, what part is handling cost, what part is demand of the consumer for having his carrots washed and put in a cellophane bag. They don't know the difference in such costs between one commodity as against another and in one region of the country as against another.

I would like for some of you to express yourselves as to whether you don't think that would be a real value—and I am talking about something that is completely separate from your primary interest.

Mr. BOND. I make that one comment about the educational side of and I think Dr. Hawkins may have something to say about the research side. There have been some very outstanding developments in the last few years on the educational side, of changes that have been brought about in the handling of some commodities, that have resulted in more convenience and greater acceptability by consumers, and at some very substantial savings in the handling costs, in moving those products through to consumers.

Mr. WHITTEN. Could I interrupt to say that we on the committee are aware of that and appreciate your statement. But I want to get this thought in: We have found, in many instances, it comes about by a change from some old, antiquated marketing building or marketing practice. The point I was making is, that we should have the facts brought together—we can't go to Philadelphia and get them to change the whole market, that is a matter of local politics and local pressure. But, if the people in Philadelphia knew they were paying for it and how much, they might demand a change. That is the point, and I wanted to interrupt so you would see what I am driving at in this suggestion.

Mr. BOND. I want to make one further statement in respect to this: In the marketing of apples we did some research in one of the land-grant colleges in New York to try to find out what it was that consumers wanted in terms of convenience and size and kind and the like. That research clearly showed something that the trade thought was not the case. In other words, the representatives of the trade said, "The consumer doesn't want it this way."

They were slow to see the possibilities. By presenting these through the cooperation of stores, in polyethylene bags, we found the sale increased substantially. The product was in better condition and didn't deteriorate as rapidly. And then by some demonstrations in the stores we were able to get others in larger cities to accept the practice and the result has been that in New York State, after the apples are put in storage, after the crops are sold, close to 80 percent, now, of the apple crop moves in that manner.

I think, with the combination of research and extension, there is a possibility of doing a substantial educational job to the benefit of the trade and in the interests of saving costs. And if it is carried on with consumers so they understand as well as producers, there are some rare opportunities here.

Milk is another one that is very interesting, that you referred to. It is bound up by all kinds of tradition and custom and regulation,

boards of health and other regulations, and it is very difficult to actually offer consumers something new in a different manner.

Mr. WHITTEN. From out of town.

Mr. BOND. Yes, and from even in town. Anywhere.

We in New York are very much interested in this, of course. We know largely 50 percent of our income or better comes from the dairy industry and we have been trying now for several months to find someplace where they will let us really open the doors and let us try some of these experimental efforts. We think still we would be able to do it, but it is one of those things that is very difficult to get started because of inertia, tradition, custom, and regulation.

Mr. WHITTEN. Thank you, Doctor. I have taken up by far more than my share of the time.

Mr. WHITTEN. Mr. Andersen——

Mr. ANDERSEN. I want to say this, that 35 years ago I first became acquainted with our county agents and I worked with them through the years. In my 16 years in Congress I have helped to protect the interests of Extension as have the other members of this subcommittee and, in fact, you might recall that back in 1947, this subcommittee was the one which broke the bottleneck, which then seemed to exist in the line of appropriations for Extension. I remember the fight that we had on the floor that year and the criticism I personally had to take because I favored increases for Extension. I mention that, gentlemen, to show that you are discussing these problems with a subcommittee which is very much interested in the great work that you people are doing.

I consider, each year, this to be one of the very top points of our hearings, gentlemen, during the 3 months that we are in session.

Mr. Chairman, I just want to tell these gentlemen we welcome them once again before us and certainly we will give their viewpoint every possible consideration.

Mr. HORAN. On page 4 of Mr. Hawkins' statement, he brings out a fact—I think that is a very good paragraph there, but I'll just read part of it, because it has come to the attention of this subcommittee that sometimes we have researchers who want to do what they want to do rather than what is needed to be done, and I am glad that you have mentioned here—

> in fact the only possible way for the researcher to have the solution ready and available when needed is to anticipate the problem and find the answer in advance. Said another way, progress would be possible only so long as we keep the hopper of unused information fairly well filled, to be drawn upon in one way or another at all times.

Just what do we do in our land-grant colleges and in our associations as experimental stations, just what do we do to cut out the deadwood in research?

Mr. HAWKINS. That subject might be discussed directly in this manner: First, I want to comment briefly on your first point. That is, mainly, putting the work ahead of the individual.

We certainly all recognize that research is accomplished by individuals and that the individuals who do research must be thoroughly interested in, and enthusiastic in the research to get it done.

Nevertheless, we are now in the, certainly in the State agricultural experiment stations, and I venture the same is true of the United States Department of Agriculture, maturing beyond the one individual re-

searcher. That is to say, we are planning research projects and we are planning a program of research to project on into the future in such manner that it will be a going, continuing program, even as personnel drops out and replacements come in. In the past 10 years, we have been able to accomplish that in my State, to an encouraging degree, at least, of establishing projects, research projects, in such a way that as there is a turnover in personnel, the work carries on.

Now, more specifically to your point with respect to the meaning of this reference of "keeping the hopper of unused information fairly well filled," let me try to cite a specific example: A few years ago you men recall the oat crop in the State of Iowa was virtually wiped out in one season by a new plant disease—new to that area. A new variety of oats had been developed. It was so highly productive that farmers turned to it in 1 or 2 or 3 years and the entire acreage was planted to that crop. Then came this new disease to which that crop proved to be susceptible and it was wiped out and they had no replacements.

Now, had that situation been anticipated, what we call the genetic base of productive strains of oats would have been broader than that. The Iowa oat crop would not have been limited to one strain or variety. It would have been made up of numerous varieties of various genetic breeds, all of which were profitable producers. Then that one disease would only have taken a part of those strains and not all of them.

Now. my reference to this expression of having the hopper fairly well filled, means to put that kind of information forward at all times—I'll cite another different example: In our own State, and it is true of Mr. Gibson's State of Texas, and many other States—Missouri, and maybe to a degree all the States present, here—much of the land is covered by or is now occupied by unproductive, woody vegetation. A great deal of research is underway on removal of brush, so-called, in order to improve the productivity of that land, either in the form of grazing crops, or for cultivated crops.

Now, we don't need that increased production today in these United States. The investment today in that activity—that is to say, removal of brush—ranges variously from $5 to $100 an acre. But, the time will come, gentlemen, when the increase in population in America, and the increased food demand in America calls for more land.

Mr. HORAN. Thank you, Mr. Hawkins. I really am serious about this. I don't want to take up any more time because we have run over about a half an hour, now, but I do want to point this out—again on page 7, and I just want to make this observation, and then I'm through—you refer there to the close cooperation of everyone in the field trying to assist the farmer. It is my hope they do get together, the action agencies and the regulatory agencies and the extension agencies, that they will be able to anticipate these things. With all our acreage allotment, our price supports and that sort of thing, we ought to have more research on what constitutes in 1955, an economic unit that can stand acreage allotments and that sort of thing. I don't see very much of that kind of research going on, and I wish we did have it. We had a lot of it out at Washington State College at one time, but it is outmoded, now. Times have changed, types of farming have changed, and capital investment has changed, and production has changed, and so forth.

I won't ask for any comment because we are running over. We still have the Cotton Council to come before us, I guess, but I think we need research in that field and we need it badly, right now.

Mr. WHITTEN. We wish to thank you, gentlemen. It has been quite interesting. We always welcome your suggestions and your recommendations.

Dr. KNAPP. We certainly appreciate the opportunity of appearing before you. We appreciate your problems and hope you appreciate ours.

Mr. WHITTEN. Thank you. We certainly appreciate yours.

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THURSDAY, MARCH 10, 1955.

AGRICULTURAL RESEARCH AND EXTENSION SERVICES

WITNESS

WILLIAM RHEA BLAKE, EXECUTIVE VICE PRESIDENT, NATIONAL COTTON COUNCIL OF AMERICA

Mr. WHITTEN. We are glad to have you with us Mr. Blake of the Cotton Council as well as Mr. Young and his associates. We will be glad to have your statement.

Mr. BLAKE. My name is William Rhea Blake. I am executive vice president of the National Cotton Council of America, with headquarters at Memphis, Tenn.

I have with me today, Mr. Banks Young, our Washington representative, and Mr. Claude Welch, and Dr. Leonard Smith. Mr. Welch heads our production and marketing division. Dr. Leonard Smith heads our utilization research division. These are the two divisions in the Cotton Council most directly concerned with research, which is the subject to which we want to address ourselves today.

The Cotton Council is the overall organization of the raw-cotton industry. It is dedicated to increasing the consumption of the products of the industry through promotion and research. The organization is made up of representatives of all six branches of the industry: the cotton producers, ginners, warehousemen, cotton merchants, cotton spinners, and cottonseed crushers.

As I am sure members of this committee know the cotton industry is in a difficult position at the present time. Cotton acreage is being reduced by some 30 percent and the production accordingly. The producer group in particular is in a very tight situation, a very painful situation as a result of this curtailment. The other branches of the industry, of course, are likewise feeling the cut.

Mr. ANDERSEN. I might say, gentlemen, that our able chairman, Mr. Whitten, has tried to impress upon the Congress the fallacy of helping foreign nations get into the cotton business and at the same time cut the production of our own farmers. Mr. Whitten has done a splendid job on that in these particular hearings. I want you to know that.

Mr. BLAKE. I have read with great interest the hearings of this committee that have been published, and we appreciate the attention that Mr. Whitten and the committee have given to this matter.

Gentlemen, there just isn't any way that we can have the efficiency that we must have in the cotton industry in order to meet our competitors and stay in business, unless we have a production of around 14 or 15 million bales a year. When production is high for one period and then drops down a third, for another period of years, it terribly upsets the whole farming operations. It just makes impossible the kind of efficiency in cotton production that we must have if the people are going to be able to grow cotton and make any sort of a living out of it, and at the same time meet the competition that we have from synthetics.

Now as I said earlier, the Cotton Council's job is to increase consumption. As we all know, the thing that determines consumption is the ability to meet competition from the standpoint of quality, price and promotion. With respect to the quality factor, there isn't any way to make basic improvements in quality except through research. With respect to the matter of being competitive in price, the only satisfactory answer that we know for the long run is to reduce the cost of production. Any other answer is simply going to reduce the farmers net income and that is the last thing any of us want. And when you talk about reducing the cost of producing cotton, it leads again to research and the application of research findings through extention work. Then, the matter of promotion. The very basis of all sales promotion is market research to find out what your competition and market opportunities are so you can move best to meet them.

We regard research and the extension or application of research findings into actual practice, as being the very basis of the farm program for cotton and we think for the rest of agriculture as well. I don't mean to say that that is the only thing that is important in the farm program. I don't mean to imply that in any sense of the word but I don't think there is anything in the program more fundamental than these two matters. Furthermore, I think that if we have an adequate research program in agriculture, and an adequate program of extending research information, it will greatly improve all other operations and segments of the total agricultural program.

The thing, then, that we would like to talk about exclusively with regard to the agricultural appropriation bill, are those items that deal with research and extension. We have been one of the groups that over the years have been very much interested in this matter of research, as the members on the committee who have been here for some years know.

The cotton industry is perhaps a little more under the gun of industrial competition than most of the other agricultural commodities. Our competition is "grown" in a factory in the form of synthetic fibers produced by one of the most efficient industries in the United States, namely, the chemical industry.

Mr. ANDERSEN. I would say you are under the most severe competition of any.

Mr. BLAKE. I think that is right, Mr. Andersen, with the possible exception of the other natural fiber, wool. I would say that wool and cotton are more under the gun from this big-industry competi-

tion than perhaps any other agricultural commodity. Our interest in research is a very real one. It isn't an abstract thing with us, at all.

Our competition comes out of the research laboratories of the chemical industry of this country, and of the chemical industries of the other countries of the world, I might add.

As I say, over the years we have been terribly interested in this matter of research. We have been up here before your committee many times and you have been most patient and most generous with us.

Looking back over the last 8 or 10 years, we are extremely gratified at the increases that your committee and the Congress has granted with respect to research and extension appropriations. I just checked the figures the other day. Actually over the past 8 or 10 years, Federal appropriations for research have increased from about $40 million to around $80 million. In other words there has been about 100 percent increase. With extension, the same thing, approximately, is true, as to the percentage. Actually the figures run from about $28 million up to about $50 million. Again, about 100 percent increase.

Unfortunately, the increases in costs during that period, due to the decreased purchasing power of the dollar, have eaten up the greater part of these increased appropriations. Our net increase in actual productive work has only amounted to about a third over that period of 8 to 10 years.

Now in that same period, Federal expenditures for research in other fields, excluding, mind you, the big research expenditures for defense and security purposes, has increased nearly 400 percent. Four hundred percent compared to 100 percent that we have had for agriculture.

Mr. ANDERSEN. Mostly in military, however, is it not?

Mr. BLAKE. This excludes military, Mr. Andersen. It would be several thousand percent if it were not excluded. It just shows you that as far as agriculture is concerned, we certainly aren't getting more than our share, and if there is any unbalacing in the budget, agriculture certainly hasn't done it I have been very grateful for the action your chairman has taken in a number of years in the past—I hope it is going to be in this year's hearings also—in having inserted in the record this table of how the appropriation for Agriculture compares to the other agencies of the Government.

The last table that I was able to locate was for the fiscal year 1954. The comparison is between fiscal 1940 and fiscal 1954. Mr. Whitten inserted this in the hearings and in the record. Agriculture was down about 32 percent in dollars, and down by 23 percent in personnel. Whereas the balance of all the other civil departments and agencies of the Government—and that excludes Defense and Atomic Energy and these military agencies where the big increase has been—during that same period is up 110 percent in dollars and 56 percent in personnel. I think the record for Agriculture is pretty good, insofar as this overall problem of the Federal budget is concerned.

Now right in this same connection there are some other figures that we have dug up that I think are pretty interesting. The total expenditures on all research carried out in this country—with both public funds and private funds—is $4 billion a year. These figures are

for 1953. Of that total of $4 billion spent for research—and incidentally these figures do not include the big expenditures for defense, atomic energy, and so on—$2½ billion, or 62½ percent of the total, was spent by the Federal Government.

Now, looking at agriculture, we find that the total research program for all agriculture—that conducted by the Federal Government, the States, and private industry on agriculture problems—ran right at $300 million a year. The Federal Government's part of that was $75 million a year—a little less than 75 to be exact—or a little less than 25 percent. In other words, of the total research bill of the Nation, the Federal Government paid 62½ percent, whereas of the total research bill for agriculture, the Federal Government paid 25 percent.

Now I realize that you can say "well now, a lot of this big $2½ billion that the Federal Government spent was for defense and security items." Well that is all quite true but, gentlemen, it is also true that most all of that research work on defense and security items has industrial application. You see it right now with regard to atomic energy. Thank goodness it is that way. Thank goodness it isn't just charged to war and we never get any other values from it.

But what I am trying to say here is that the Federal Government's part and cost in this research picture insofar as agriculture is concerned, is decidedly less than it is for the balance of the economy.

Mr. ANDERSEN. I think there is no question of that.

Mr. BLAKE. There is one more point with regard to research expenditures—and again this is for the year 1953. The total for all research spent by private industry was $1½ billion. Of this total, $150 million, or 10 percent, was spent by private industry for agricultural research. In other words, of all the money that private industry spent on research in this country in 1953, 10 percent of it was on agriculture, whereas, of all the money that the Federal Government spent on research in 1953, only $75 million, or 3 percent was on agriculture. Again, the figures are very conclusive as to the extremely moderate expenditures of the Federal Government for agricultural research.

Let's now come down to our current situation. The agricultural research advisory committees that were set up under the RMA, have a shelf of projects, what we might call unfiled orders for research, that amount to over 600 projects at the present time. They would cost, if we were able to activate them right now, over $30 million, annually.

We must be extremely careful, of course, not to attempt to expand our research program any faster than can be accomplished on a sound basis. It does seem, however, that any way you look at it we are faced with the inescapable conclusion that a very, very great increase in agricultural research is desperately needed and is fully justified.

Now this brings us to the question of how this expansion in agricultural research should be accomplished—how should the increases be scheduled to bring the total program up to an adequate level? It is a quqestion that this committee and the farm and commodity organization have been wrestling with for a long time.

We had a meeting of the farm and commodity organizations last August, here in Washington, to consider what should be the increase for research and extension in this coming year. To be perfectly

frank about it, there just wasn't a good solid yardstick to go by. We knew we needed a tremendous increase, but when you get down to deciding exactly what figure, it is a pretty difficult problem. About the only established measure that we had were the increments that were set up originally under the Research and Marketing Act. As you know, that act is some 8 or 10 years old, and the increments it provided were the result of a compromise when they were put in there. They are just too old, today, to be very useful.

What we did was this. We asked the Administrators of Research and Extension from the Department and their counterparts in the State experiment stations and extension services to meet with us and discuss this problem. At the time we requested that they develop a long-range program, setting forth our research and extension needs over a 5- to 10-year period, and that they take into account not only the problems that needed to be solved, but also the facilities and personnel that were available and the additions that would be needed to do the job. One of the key factors determining on how fast you can move is personnel. You cannot possibly expand these programs of research and extension on a sound basis any faster than you can staff them with competent people. The directors agreed to begin work immediately, and to give us an answer in the late fall.

We met again here in Washington at the end of November. At that time, the research and extension people in the Department and from the States gave us their thinking and the facts, figures, and information they had developed. Our next move was to take this information back to our respective organizations for consideration.

This has been in process for some time now and another meeting of these same groups is scheduled for Friday of this week.

I doubt that any final conclusions will be reached at this meeting Friday. I would certainly hope, however, that before the spring is too far advanced we will have something in the way of a long-range program for agricultural research and extension that we can lay before your committee and the other leadership in the Congress, and also lay before the executive branch of the Government.

There is one other very important problem in this connection that should be mentioned. We are all aware of the difficulties that are involved in expanding any program that is under the overall budget ceiling of the Department. Immediately we run into the problem of at least giving the appearance that the funds for the expanding program are being obtained by cutting some other item in the Department's budget. We certainly don't feel that a long-range expansion for research and extension should be placed in that position. There should be an understanding in advance on this point within the executive branch and with the Congress, so that this program will not get caught in a cross-fire as to whether it is raiding the funds of some other agency, that also has a very important program in progress.

Long-range planning on a program of this kind isn't unusual. It is especially necessary in dealing with research and extension because of the very long-range nature of these activities. We are seeing long-range plans put forward in other fields, today. We see it in the highway program calling for over $100 billion for the projected period. Other long-range programs are being projected for increasing the

school facilities of the country, and for housing, slum clearance, and what have you. We think that something of that nature is needed on agricultural research and educational activities, as well.

We also have considered how the total public and private research expenditure of $300 million annually for agriculture compares with what other segments of the economy may be doing. Industry in this country spends about 2 percent of its sales dollars for research. If agriculture spent 2 percent of its sales dollar for research, and if we took the cash receipts at the farm level—that would certainly be the lowest point at which we could take them—it would amount to over $600 billion a year.

If we moved it on up to a higher level—after farm products were processed, and as they moved to the consumer—it would be more than double that figure.

I mentioned a moment ago that the total research expenditures in the United States are running about $4 billion a year. If we were spending for agricultural research a sum in proportion to agriculture's part of the population—about 13½ percent—we would be at the level of nearly $600 million a year.

There is one other comparison. About 20 percent of the potential agricultural production in this country is lost every year, due to a whole wide variety of reasons, most of which are potentially controllable. This loss amounts to about $13 billion a year. Diseases and insects and weeds alone account for over $8 billion of that total.

What would any business do sustaining such losses as that? They would spend real money to try to reduce those losses, or eliminate them. Certainly they wouldn't hesitate to spend 5 or 10 percent of what they were losing to try to stop the loss. If agriculture spent 5 percent of its $13 billion losses, that is over $600 million a year. If it spent 10 percent it would be $1,200 million.

Well, gentlemen, that is about the story. Of course we are very much interested in this year's appropriations for research and extension as set forth in the budget. We think if anything they are certainly on the low side. We certainly hope that this committee will see fit to recommend at least those increases to the Congress. Also we hope that your committee will give very serious consideration to this matter of developing a long-range program for the orderly expansion of agricultural research and extension to something approaching an adequate basis. Thank you.

Mr. WHITTEN. Mr. Blake, we appreciate your testimony and we agree with you about research and the value of it. As I have pointed out to earlier witnesses, we have a twofold job on the committee. One is to make a case we can sell to the Congress in support of funds, and in making that case we have to look behind the word "research" and see how they use it. For your information, the testimony this year discloses that a considerable part of the research money we got last year was used for methodology, which means studying the habits of rural people in the Northwest, what social groups they run with, and what communities and places they have to visit. Another project was in several Southern States, where the expenditure of quite a number of dollars had to do with the effect of child behavior in this generation and methods of punishment as compared with the prior generation.

Another project was the research on orchids of Guatemala and the flora of Dominica. Another project that I am sure was of great interest, though I see no value in it, was the difference in rural clothing between farm families and city peoples in four counties in Kansas. I made the comment that the people in those four counties knew the difference and the rest of the country probably didn't care much about it.

I mention that to point out there are some problems in this.

In connection with cotton, we realize that it needs a real research proect. I think this committee appreciates that and appreciates your statements in connection with that.

Since I stirred up this failure on the part of the Government to sell our farm commodities in world trade competitively, I have become fully aware that your organization is made up of six parts, which means that with conflicting interests it is not always possible to reach an accord as to policy, or as to recommendations. But the thing that I can't pass up a chance to mention is that, through research we have probably sold 1 million bales of cotton. The things that I personally have heard of in my years here, wouldn't total a million bales of cotton. Yet, by the Department of Agriculture's refusal to sell American cotton in world trade competitively as authorized by the Commodity Credit Corporation, foreign production of cotton increased over 1 million bales last year. According to the Department's own figures, the outlook for next year is still higher. So I can't help but say that a failure on the part of the United States Government to sell what it has, which it has authority to sell, for which there is a demand in the world, and for which the rest of the world has the dollars, is letting our cotton production pour out the bottom of the sack while we are sewing little holes up in the top through research.

I would like to read a story in connection with Senator Eastland's hearing in the Senate, which clearly points out and admits what I have tried to make a record on so hard here. This is a report in the Memphis Commercial Appeal, Friday, March 4, 1955, in which Mr. Hohenberg, of Memphis, Tenn., testified, and I would like for the committee to listen to this:

Charles M. Hohenberg of Hohenberg Bros., Inc., testified the refusal of the Agriculture Department to sell Government-owned cotton stocks in world markets at competitive prices is creating a world price "umbrella" and encouraging expanded cotton production in foreign countries.

"Mr. Hohenberg's testimony," Senator Eastland declared, "has completely clinched our case," and he makes some comments about the agreement between international cotton shippers who promote cotton plantings in Latin America, and some textile mills and a few alleged farm leaders, who through this conspiracy set out to prevent export of American cotton at competitive prices.

Mr. Hohenberg, whose company has offices in Memphis, Selma, Ala., and Mexicali, Mexico, was called to the stand unexpectedly by Senator Eastland. He testified reluctantly.

Disclosing his company is financing extensive cotton plantings in Mexico, he said the firm owns 6 gins there and estimated about one-fourth of its business is in Mexican cotton.

"My information is that you put $4 million down there in 1 week," Senator Eastland declared.

Mr. Hohenberg disclosed other American companies also, are taking advantage of the price "umbrella" and are expanding their foreign productions. He listed Anderson-Clayton Co. of Houston; Cook & Co. of Memphis; and Volkardt Bros. of New York, which he said is Swiss-owned.

The price of American cotton has been kept above the price of cotton produced in Mexico and other foreign countries since 1951, he testified.

Declaring this has turned the United States into a "residual supplier," Senator Eastland asserted it has resulted in the accumulation of surpluses here while other countries were underselling us.

"If Mexico was sure United States prices would be below theirs for 5 or 10 years," Senator Eastland asked, "what would be the effect on their production?"

"I think it would put them out of business," Mr. Hohenberg replied.

In 1953, Mr. Hohenberg testified, Brazil unexpectedly "liquidated two crops" at prices that were "under everybody."

"And the United States sent $300 million down there to bail out the Bank of Brazil," Senator Eastland said. "You know that, don't you?" Mr. Hohenberg said he couldn't confirm it definitely.

The international cotton exporter urged retention of present policies. "I think there is a good chance to liquidate the surplus in a period of 2 years," he said.

"By retaining these drastic acreage allotments," Senator Eastland said. "Is that what you mean?"

Let the record show that the report shows that 55,000 farm families are left without homes this year as a result of its acreage curtailment and 130 farm families with less than $1,000 gross income have been reduced to $900.

Mr. Hohenberg said he isn't advocating keeping acreage controls after this year. He said he believes the surplus will be down enough to relax them after another year.

Under persistent questioning, the cotton exporter admitted that "we can't maintain our share of world markets unless we're competitive in price."

"We're going to be a residual supplier as long as we stick to a rigid fixed price level," he said.

He declared a system of flexible price supports that "will really flex" is the answer. "We must return to the law of supply and demand," he said.

And may I make the comment that we have bottled up in this country a considerable part of the supply. Therefore, the supply and demand does not work, when the holder of one part of the supply won't offer it for sale.

Walter Randolph, vice president of the American Farm Bureau Federation and a member of a special cotton export advisory committee of the National Cotton Council, also is reported to have opposed sales of Government-owned stocks abroad at competitive prices.

Now, the reason I mention this is that we struggle around here for a few dollars in research—and the committee has been very good to an industry in which I am very deeply interested because we recognized the problem. But then, because our Government won't sell, we give away more American cotton that we can hope to build up uses for by our research.

I want the record to show I am disturbed that, despite efforts by your own very fine organization in promoting cotton uses in the rest of the world, that in view of the sales policies or lack of them, I am just afraid that nine-tenths of the benefit will go to these foreign producers—may I correct that—these Americans who are producing in foreign countries.

Mr. Hohenberg says one-fourth of his business is out of the country. Mr. Anderson Clayton, and Mr. Cook and others, likewise.

Mr. BLAKE. As you just stated the Cotton Council is made up of the six branches of the industry. It was set up to promote the consumption of cotton—to create consumer demand for cotton products.

Our bylaws state that the objective of the council shall be to promote the consumption of United States-produced cotton, cottonseed, and the products thereof, throughout all the markets of the world.

It was recognized in the very beginning that many conflicts within the industry would inevitably arise. In fact a lot of people felt that

we would never be able to get this whole industry under one tent and agreed on any one thing. But it did seem that there was a big area of agreement on the part of everybody that we needed increased consumption. And so our bylaws and our charter provided that the cotton council couldn't take a position on any matter unless the voting delegates representing two-thirds of each separate branch of the industry approved that particular action.

Now, that means that one more than one-third of the delegates from any one branch of the industry have the veto power and can prevent the council from acting on any matter. It was freely predicted at that time that with that provision in its bylaws, the council wouldn't be able to do hardly anything. Well, I am happy to say it hasn't worked out that way. We have found that remarkable unanimity and teamwork in the industry has been developed over the years on those things in which the industry is in accord on those matters pertaining to research and promotion and building consumption of our products, everybody is in agreement. Whenever we come to the price of cotton we are inevitably in a controversial area. Price is always controversial with respect to any commodity. Invariably when we come to the price question, we are in an area of controversy, Mr. Chairman, and one in which the council can seldom, if ever move. We are in that position right now with respect to the problem that you are talking about.

Mr. WHITTEN. I am glad to have you make the statement. May I interrupt to ask that, when the Secretary of Agriculture tells this committee that he has decided not to exercise his powers under the Commodity Credit Corporation to sell cotton and other farm commodities in world trade competitively because of recommendations of the trade, the council for which you speak is not one of those that has recommended against sale competitively?

Mr. BLAKE. That is right.

Mr. WHITTEN. Anyone who might happen to belong to your organization and said so, spoke as an individual only?

Mr. BLAKE. As individuals or for the organization of the particular segment of the industry that he might be representing.

Mr. WHITTEN. In the last week or so I have had representatives of various American textile mills tell me that, if the United States is going to continue to curtail acreages in the United States, the only thing left for them to do is to organize textile mills in Mexico, Brazil, and Egypt. If the cotton production is going to shift to other places in the world where the cost of production will be much less, where they don't have the high freight rate charges and the minimum wages and everything that we have, the next thing is the American textile industry will have to follow these American investors abroad. So far I have heard of only one group that has gone so far as to make some definite arrangements; but isn't that the next step that will come, if the American support price is really an umbrella over the world price?

I would like to point out one other thing that is most disturbing to me. When you get into this complex thing of the economic interests of various segments of the United States, you can see many difficulties. The American people through the Commodity Credit Corporation are expending $700,000 a day for storage of CCC commodities which the

law authorizes the Department of Agriculture to sell, but which they won't offer for sale and make the price truly competitive.

Somebody in the warehousing business might easily recommend that the Department of Agriculture keep them. You can easily see that an industry with a return of $700,000 a day might have a conflicting interest with the producer who is having his acreage cut and who is trying to get these commodities sold.

Now, if you study it a little bit further, you begin to see that, if the one man buys long and the other man buys short, the time the Department might offer something for sale might be helping the one man and hurting the other. It comes right back to the Department of Agriculture, in my judgment. They are going to have to look after the farmer's interests in as fair a way as possible. The minute you forget the farmer's interests and try to make it agreeable to the warehouseman, to the ginner, to the shipper, to the American investor who put his money in Mexico and these other places, you will hurt the farmer. They are going to have to get back to representing the producer, the farmers' interests. They should not needlessly upset the others because there is no known way, just as your own organization has found out, to get folks with conflicting interests to reach a full agreement on how to handle anything. The only cure is to go back and look after the farmers' interests and say to the others: "My friends, you are in the trade. We are the Department of Agriculture. We represent the farmers. What they produce we are going to have to sell, because we are losing all this production to foreign countries. We hope you in the trade can adjust yourselves to the farmer's business." That is what the Department is for.

Mr. VURSELL. I am only a new man on this committee and there is not too much I know about the cotton business or the operations of the Commodity Credit Corporation or the policies of the Department of Agriculture, and while I regret to interpose myself upon the committee, and certainly regret to disagree with my chairman, I think that something ought to be said for the record at this point which would give a little different picture that I hold to be factual, might I say, in defense of the Department of Agriculture, and particularly in defense of the Secretary of Agriculture.

I heard the Secretary of Agriculture, Mr. Benson, testify before this committee on this particular question and also the argument of the chairman of the committee when the matter was discussed for probably an hour, or more, intermittently for 3 days, and I do not believe the record should indicate—at least without being challenged—that the Secretary of Agriculture is being influenced by the warehousemen of this country and deflected from what he thinks to be his duty in giving proper direction to the Department of Agriculture. Nor do I believe after listening to the testimony and looking at the record of the Secretary of Agriculture throughout his lifetime, that he seeks to disregard the interests of the farmers. He made it very plain in his testimony here, stating that if he was not working in what he thought to be the best interests of the farmer—he said in substance, "I would not be here."

Time and again he answered questions, courteously and patiently, and he gave as his reason for not offering more cotton on the world competitive market that he felt it would disturb the world market and probably be economically bad for the cotton producers of this

country. And his argument, as I recall—and the record will show—was that he felt they were making considerable progress in exporting cotton by working through the cotton brokers of, particularly this country and that the exports of cotton, or disposal of it, plus exports, was moving a lot of it into the market. That he feared that if they put too much of our products on the market that it would stop foreign buying to a certain extent from the regular cotton industry of exporters—cotton exporters of this country—that foreign buyers would wait for maybe another drop in the price, with a result that it would demoralize, or hurt the home market, and that it might establish a two-price system of the foreign importers looking for and waiting for the Government to sell through the Commodity Credit Corporation, and in the end, probably would be detrimental to all the cotton farmers of the Nation. I am not sure but I think he said that they were watching the markets, that they had given a great deal of consideration to this problem and that those representing the cotton industry of the United States, a great many of them, agreed with his philosophy. I believe he said—and you can correct me, Mr. Chairman, if I am not right in remembering his testimony—that he would study this problem and that the cotton problem was under constant study.

Now, I make this statement in the record because I do believe that Secretary Benson convinced this committee and has convinced the American people through his work in the Department of Agriculture that he is worthy of their confidence, and that he is serving all of agriculture to the very best of his ability.

Now, to be honest with you, Mr. Chairman and gentlemen, I have considerable sympathy with the position of Mr. Whitten has taken and I commend him on his knowledge of the problem and his forthright fight and stand for what he believes to be right, but I did feel that I ought to just say what I have said in giving a little more of the picture and of the purpose as expressed by the Secretary of Agriculture in his reason for not putting more cotton on the competitive world price market.

That is all, Mr. Chairman.

Mr. WHITTEN. I rather have to agree that the record should carry the statement that my colleague has made and, while recollections may vary in minor detail, I commend him for the accuracy of his memory of the testimony. Substantially at least it is in line with what I remember. Certainly I don't question the sincerity of the Secretary to serve the cause of agriculture. In the pressure of presenting the case, which I think is basic to our whole agricultural problem, we frequently don't take time to round out everything that might properly be said in connection with the Secretary or others, who are doing the best they know how, and in the best way that they know. I would have to say, though, that the Secretary recommended against any increase in cotton acreage to relieve this situation. That is not a case of selling more cotton competitively in world trade. We haven't offered any, on a competitive basis in world trade. We have followed the prevailing price approach, according to the testimony.

The Secretary's statement was that in making his determination, his action was recommended by the trade. The point I made was not an attack on the warehouseman at all. I have lots of friends who are warehousemen, and, if this policy is going to continue, I wish I had a lot of warehouses. But I was pointing out the conflicting business

interests. If you try to evolve a policy to sell these $4 billion worth of commodities, and that sale is authorized, it would certainly not help the immediate interests of the warehousemen and other businessmen. If you were to sell all these farm commodities abroad, it would run counter to Mr. Volkardt, Mr. Hohenberg, Mr. Anderson, and whoever the others are who have gone forth and put their money overseas. It is in that connection that I said he is going to have to base the decision on the farmers interests. When he gets beyond the farmer, when he tries to reach agreement between the various conflicting business interests, they are at cross purposes, and so to please one you run counter to the other. It is not an attack on the Secretary, it is a criticism of the policy that he is following, that I mean to make.

Mr. VURSELL. Mr. Chairman, I would like to say that I have been watching the record of Mr. Clayton for a great many years, and I would offer no defense in his behalf. I hold no brief for people, and I don't offer much support for people who will invest a great amount of their funds in foreign countries with cheap labor and then try to crowd it in on the American markets, as some of them do, or promote big business in other countries that probably works a hardship on our own country, where they got started and made their money in the first place. I am not in agreement with Mr. Clayton's philosophy of government with regard to several other things. I am quite frank to say that, Mr. Chairman.

Mr. BLAKE. With regard to the warehousemen, I know nothing about the warehousemen in other segments of agriculture. I do know the warehousemen in the cotton industry, and without intending in any way to inject myself or the cotton council into this controversy regarding this export pricing policy, I would say this.

We received a copy of the statement that the National Cotton Compress & Cotton Warehouse Association filed with Senator Eastland at the hearings last week. In this statement they made the point very strongly that although they were the apparent beneficiaries of a big surplus of cotton they did not consider it healthy for their business. They stated that it was far more important for them over the long period to enjoy a sustained business, which they could only enjoy when we had an adequate cotton-export business. They wanted to make it abundantly clear that they strongly supported the development and maintenance of an adequate export market for United States cotton. They filed that statement with Senator Eastland's committee.

Mr. WHITTEN. I am pleased to hear that. It makes me proud once again of the section from which I come. I am sure there are other people equally as long-sighted and patriotic. Their long-range interest, too, is served by keeping the American farmer growing cotton and the country handling and exporting cotton.

Unfortunately, the immediate day-to-day interests sometimes conflict with the long-range interests of each. There is one group which is growing cotton throughout the world, and of necessity the world situation must be considered to a greater extent by a man who has a business somewhere else than for a man whose business is entirely in the United States.

We have taken advantage of you, Mr. Blake, I know. I want to say again that we recognize your problems, organizationally and otherwise. I am pleased to let the record show any failure to sell by the Department on a competitive basis is not at the recommendations of

your fine organization. I think the record should show that, and I am glad that it does.

Mr. ANDERSEN. Your discussion has been very interesting, sir.

Mr. BLAKE. Thank you very much.

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THURSDAY, MARCH 10, 1955.

## SCHOOL LUNCH PROGRAM

### WITNESS

### ADA BARNETT STOUGH, EXECUTIVE DIRECTOR OF THE AMERICAN PARENTS COMMITTEE, INC.

Mr. WHITTEN. The committee now will be pleased to hear from you, Mrs. Stough.

Mrs. STOUGH. I know you have had a long day and I know you have had many witnesses who have developed the same points I have in my statement.

I want to say I have done some studying again this year of this problem from a local point of view and I have been in correspondence with what I consider to be a fair sampling of the administrators of the various States. Much of this statement is based on that information.

Gentlemen, I appreciate this opportunity to present to you the plea of the American Parents Committee not to cut the appropriations for the national school-lunch program, as you are asked to do in the President's budget message. I think that witnesses who have preceded me have presented many of the reasons why the appropriation should be the same as last year, or higher if possible. I don't want to tire you by elaborating on those details.

May I summarize briefly what I believe are the most significant facts: In the 8½ years that the school-lunch program has been in operation the number of children has increased almost 30 percent; the number of children receiving school lunch has increased 87 percent; the cost of serving an A-type lunch has risen 45 percent; the contribution of States and local communities has increased 51 percent; parents' payments have increased 36 percent; yet the contribution of the Federal Government per lunch has dropped 40 percent.

The reasoning behind the recommended dropping of $15 million for section 6 foods given by the Department of Agriculture is that the contributions of surplus commodities from section 32 foods are expected to continue at a high level and that these foods, together with $50 million a year in the special milk program will make Federal support of the school-lunch program the largest in history.

In answer to those arguments may I call your attention to the fact that the Department made much the same statements in submitting the budget for 1954 and for 1955. May I remind you that they estimated a total of $123 million worth of surplus foods would be distributed in 1954 and the amount actually distributed was $94 million. Last year the Department estimated the value of surplus commodities which would be used during this current year would be $150 million. Instead, I am told that the last year's estimate of the Department

will be about 60 percent too high. Since the only surplus commodities now available are dairy products, fats, oils, and dried beans, there is a limit to the amount that can be used by the program as it is now organized.

In the light of the erroneous calculations of the past, we would not like to see this year's statement used as a sound basis for cutting the appropriation.

The other part of the budget message, which adds the $50 million being spent to increase the consumption of fluid milk among schoolchildren to the school-lunch appropriation, gives a very wrong impression. The $50 million is not going to the school-lunch program, even though the State and local school-lunch people have been asked to promote it, and I might add, without any extra money for administrative purposes. Under the special milk program, a school is reimbursed only for the amount of milk it uses over and above the amount used the previous year. A good lunch program which has always used milk is actually penalized. It gets no extra reimbursement unless it serves milk at recess, after school, or some other time during the day. Many schools are doing that, and they are passing the reimbursement on to the child to actually encourage him to drink more milk. In other words, if the school pays the dairy 6 cents for a half pint of milk and the Government gives the school 4 cents to apply to the cost of that bottle of milk, the school will charge the child only 2 cents. The school only breaks even on the cost—but it is improving the nutrition of the children and is carrying out the purpose of the program.

No one of the 14 States from which I have had long letters about the program indicates that the special milk program has strengthened their school-lunch program. A few have said that it has actually weakened it—for they have had to put time and administrative personnel on the job of promoting the increased use of milk which were needed to strengthen the basic school-lunch organization.

That leads me, gentlemen, to what I think is the strongest reason why this appropriation should not be cut. Through the encouragement of Congress, and financial participation by States and localities, five times greater than that predicted when the act was passed, the national school-lunch program is a sound, efficient, growing organization. Through it some $350 million worth of surplus foods have been used to improve the health of children rather than rot in storage. The program is still serving less than one-third of the 34 million schoolchildren. Every State we hear from says it could expand to serve far more schools if it had more funds. School after school says more children would buy lunch if the price could be lowered, but that is impossible because the reimbursement rate has dropped from 9 cents to around 4 cents, and in some States as low as 3 cents. If the school-lunch program could double its participation—twice the amount of surplus food could go to nutrition instead of decay.

If money for section 6 food is cut the effect will not be expansion but curtailment. The withdrawal of $15 million worth of section 6 foods is tantamount to the withdrawal of that much cash, because if citrus fruit and other fruit, tomatoes, green vegetables, and peanut butter are not available to a school-lunch manager through the school-lunch program, she must do one of two things. She must decide to lower the quality by serving dreary lunches made up primarily of dairy products, fats, oils, and dried beans—which are the only section

32 commodities now being distributed—or she can take the alternative course and pay cash for the foods to balance the lunch. If she takes the latter course she will probably have to raise the cost of the lunch to the pupils. Experience has shown that when the prices for school lunches go up, participation goes down. If participation drops below a certain level, the school-lunch room must go out of business.

The proposed cut looks to us as the beginning of an attempt to knock all the Federal props out from under the program. This seems extremely shortsighted. Let us be frank—we know the school-lunch program was passed originally, first as an outlet for surplus foods, and secondly as a program to benefit children. We are all thankful it is serving both purposes and serving them well.

Am I not right in saying that we do have great surpluses of the section 32 foods I have mentioned? If we continue the Agricultural Adjustment Act, aren't we likely to continue to have such surpluses? If the United States Department of Agriculture wants an outlet through which it can siphon off surplus food to build healthier children, it should bolster, encourage, and support the school-lunch program. It should urge the appropriation of more money so that the program can expand to use more surplus commodities and feed more children.

If it wants to abolish the organization which has served both the economy and humanity of our country, the easiest way to do it is to cut off funds, as it has proposed to do this year. We hope the United States Congress will not go along with that proposal.

Mr. ANDERSEN. You, of course, know it is the Congress of the United States and not the Department of Agriculture that sets the scope of any of these programs?

Mrs. STOUGH. Yes.

Mr. ANDERSEN. We will use our own judgment. I will guarantee that.

Mrs. STOUGH. In cutting the program, you will cut the organization. The organization through which you can dispose of surplus foods.

Mr. ANDERSEN. When we speak about a cut in the budget, it is not necessarily accoring to the personal wishes of the bureau or agency officials involved. The budget as it comes to us must, of course, be defended by the various officials of the department, in spite of their personal convictions. We in Congress have no such inhibitions.

Mrs. STOUGH. And you have a very good understanding of the school-lunch program.

Mr. WHITTEN. When we raise the budget, they accuse us of spending the country into bankruptcy and for inflating the currency. Even though they have accused us of that, we have always stood by the school-lunch program.

Mrs. STOUGH. We know that.

Mr. WHITTEN. We wish to thank you very much for a very fine statement.

## SCHOOL LUNCH PROGRAM

### WITNESS

### MRS. MARIE D. LANE, WASHINGTON REPRESENTATIVE, AMERICAN PUBLIC WELFARE ASSOCIATION

Mr. WHITTEN. Now we will be very glad to hear from Mrs. Lane.

Mrs. LANE. I am the Washington representative of the American Public Welfare Association. As you know, most of our membership is made up of people who work for departments of public welfare or are interested in public welfare and public assistance. Our statement is in behalf of the children with whom we deal. Most of them are most disadvantaged and are among the vulnerable groups in the community.

Mr. WHITTEN. We will be pleased indeed to have your statement.

Mrs. LANE. This is a statement in support of school lunches by the American Public Welfare Association.

The American Public Welfare Association is a nonpartisan organization, with a membership composed as follows: (1) State and local departments of public welfare, including Commonwealth and Territory; (2) individuals engaged in public welfare at all levels of government; (3) persons outside government interested in public-welfare programs. Total membership exceeds 7,000.

Need for school lunches: Public welfare is essentially a service-rendering program. These services are rendered directly to families and individuals in social or economic need, or to communities and their agencies to enable them to meet the need. School lunches are, therefore, integrated with public-welfare policy and a logical concern of public-welfare agencies and workers.

Following are some of the groups of children who have benefited from school lunches in the past, and who will continue to benefit from a school-lunch program based on reasonably adequate standards: children of public-assistance families; children who are receiving care and services under the crippled children or child welfare services programs; children of families in which the parents' earnings or other income—such as survivors' benefits of the social insurances—are barely adequate to maintain minimum living standards; dependent children cared for in foster homes and institutions. There are other groups, but these are sufficient to justify this statement.

Primary responsibility for administering public welfare in this country rests upon the States and their political subdivisions. The Federal Government acknowledges, however, its obligation to use its taxing power to equalize, or share, the burden of the costs of public welfare. The school-lunch program is an instance of this type of Federal-State cooperation. Indeed, the Federal contribution of free surplus commodities to the school program under section 32 of the Agricultural Adjustment Act is a mainstay of the whole project. State and/or local agencies, and even some of the paying participating children, contribute their full share.

This year the free surpluses are almost entirely confined to dried beans, butter, cheese, dry milk, rice, and shortening. Heretofore it has been possible, under section 6, to supplement these with foods

bought with Federal money and donated to the school-lunch program. It is now proposed, however, to cut from the budget $15 million of Federal money applicable to that purpose. If this is done, the practical effect will be that schools will not receive such commodities as citrus fruits, peaches, apricots, tomatoes, peanut butter, and canned green vegetables, so essential in preparing well-balanced meals.

Loss of these section 6 foods will mean that a school-lunch manager will either have to lower the quality of the meal, or buy these or similar foods in the market and raise the cost of the meal to the student. Experience has shown that when prices of meals go beyond 20 to 30 cents—usual cost to students—many children cannot afford to buy. Moreover, there is danger that participation may fall so low that lunchrooms will have to be closed.

A sobering consideration in this picture is that the number of children of school age is rapidly increasing. For these reasons the American Public Welfare Association strongly urges restoration of $15 million, under section 6, to the budget for the school-lunch program. The total sum—approximately $84 million—will constitute, at best, a minimum program in view of the overall necessities of the situation. Thank you.

Mr. WHITTEN. The committee has always recognized the value of the school-lunch program. The committee has also recognized the need of some latitude to buy commodities needed to provide a balanced meal. We have also realized that, while the Federal contribution may get smaller, due to the increased number of students, the fact that the Government is in the field tends to keep it going. Even though our contribution for one particular school may not be so large, as long as it is there, it is a little spark to keep the program alive.

Mr. ANDERSEN. Just one further comment, Mr. Chairman, along the line of what you have been saying: I recall that even before the school-lunch program was even authorized by the legislative committee of the Congress, we of this subcommittee saw fit, year after year, to take it out on the floor of the House and fight it through regardless of the fact it had no authorization.

Mr. WHITTEN. That happened for quite a long time.

Mr. ANDERSEN. That will show you the opinion of this subcommittee relative to this very fine program.

Mr. WHITTEN. May we thank you again.

Mrs. LANE. Thank you very much.

THURSDAY, MARCH 10, 1955.

## HOME ECONOMICS RESEARCH

### WITNESSES

**MISS RUTH L. BONDE, A REPRESENTATIVE OF THE AMERICAN HOME ECONOMICS ASSOCIATION**
**MISS GRACE HENDERSON, DEAN OF THE COLLEGE OF HOME ECONOMICS, PENNSYLVANIA STATE UNIVERSITY**
**MISS HELEN CANOYER, DEAN OF HOME ECONOMICS, NEW YORK STATE COLLEGE OF HOME ECONOMICS AT CORNELL UNIVERSITY**
**MISS LELIA MASSEY, CHAIRMAN, DEPARTMENT OF HOME ECONOMICS, OHIO WESLEYAN UNIVERSITY**
**MRS. KATHRYN V. BURNS, STATE LEADER, HOME ECONOMICS EXTENSION, ILLINOIS**
**MISS JESSIE HARRIS, VICE DEAN OF THE COLLEGE OF HOME ECONOMICS, UNIVERSITY OF TENNESSEE**

Mr. WHITTEN. Now we shall be glad to hear from Miss Bonde and her associates.

Miss BONDE. I have a prepared statement which I would like to insert for the record.

(The statement follows:)

I am Ruth L. Bonde, professor and chairman of the department of home economics at Northwestern University, Evanston, Ill. I am a former recording secretary of the American Home Economics Association and am now chairman of that association's advisory committee on the Human Nutrition and Home Economics Research Branches of the United States Department of Agriculture. I am here today as a representative of the American Home Economics Association to talk with you about the appropriation for the Human Nutrition and Home Economics Research Branches.

On February 28 Dr. Byron T. Shaw, administrator of the Agricultural Research Service, addressed a memorandum to Dr. Hazel K. Stiebeling, director of the Human Nutrition and Home Economics Research Branches, ordering a realinement of research in home economics and human nutrition and issued administrative order 101.1, supplement No. 29. Dr. Shaw's order is interpreted by the American Home Economics Association as the culmination of a number of changes made in recent years which has resulted in a shift of emphasis from research in the several areas of home economics to those related primarily to food.

The Bureau of Home Economics was created in 1923 at the request of the American Home Economics Association and since that date has directed its effort toward a balanced program of home economics research and an interpretation of this research to homemakers through popular bulletins and to scientific workers through professional and technical journals. In 1943 the name of the Bureau of Home Economics was changed to the Bureau of Human Nutrition and Home Economics. The association did not favor this action. However, at the time of this change Dr. Eugene C. Auchter, head of the Agricultural Research Administration, under whom the new Bureau would function declared: "This change of name should announce to the world our conviction that human nutrition and home economics are one and indivisible. * * * We propose to expand; not contract the work of the other home economics divisions—Family Economics, Textiles and Clothing, and Equipment. * * *"

In 1953 under the reorganization plan of the Secretary of Agriculture, the Bureau lost its identity as a bureau and was divided into two research branches; namely, Human Nutrition and Home Economics. These two branches were formed without budgetary responsibility in the Agricultural Research Service. At this time the American Home Economics Association directed a letter to Secretary of Agriculture Ezra Taft Benson, urging that "the proposed reorganization of the Department of Agriculture provide for the maintenance of the identity of the Bureau of Human Nutrition and Home Economics and for the

continuation and strengthening of the Bureau's research programs in nutrition and home economics." Although the Bureau lost its identity when the two branches were established, officials of the Department of Agriculture expressed belief that research in human nutrition and home economics would be strengthened under the new plan.

Dr. Shaw's administrative order No. 101.1, supplement No. 29, represents the third change which is of deep concern to the American Home Economics Association. This order shifts emphasis from the several areas of home economics to those related principally to agricultural production. During our conference on March 8, Dr. Shaw established the fact that his present plans do not include a balanced program of home economics research. Dr. Shaw stated that he did not consult with home economists or other representatives of the Nation's homemakers who use the findings of research in home economics. The realinement of the program in the Branches of Home Economics and Human Nutrition assigns approximately 87 percent of the budget to research on problems of food and human nutrition and only 13 percent to the remainder of the broad program of home economics.

We wish to protest Dr. Shaw's administrative directive entitled: "Organizational Realinement of Research in Human Nutrition and Home Economics" because we believe in effect it liquidates certain areas of home economics research of importance to the American home. Secondly, we wish to request that your committee attach to your report on appropriations for the Agriculture Research Service a recommendation that the funds, redirected by Dr. Shaw's order, remain in the Home Economics Research Branch.

We also want to reaffirm our belief that the total appropriation for home economics research, which naturally to us as home economists includes nutrition, should be increased by this and succeeding Congresses until adequate research can be undertaken by the Federal Government to meet the needs of the American family.

As a group of home economists called to Washington to consider the unexpected realinement of home economics research, we wish to assure you that the vast majority of the Nation's homemakers, home economists, and other leaders will join us in this protest when they know what has happened.

We shall appreciate your consideration and favorable action on behalf of home economics research at the Federal level.

Miss BONDE. I would like to present the other members of this group. At the end is Miss Jessie Harris, who is vice dean of the College of Home Economics at the University of Tennessee, and Miss Canoyer, who comes to you from Cornell. Dr. Canoyer is dean of home economics, New York State College of Home Economics.

Miss Henderson is dean of the College of Home Economics at Pennsylvania State University.

This is Mrs. Work, who is a homemaker. Miss Massey you have met; and this is Mrs. Burns, who is State leader in the extension services at the University of Illinois; and this is Mrs. McNaughton, who is in our headquarters here in Washington.

We are concerned because the orders from Dr. Shan's office stated that a significant portion of the home economics research would be severely curtailed. This order also stated that the funds which had been allocated to the several areas of home economics would now be used for research primarily in human nutrition. That leaves a very large part of the home economics program without any support whatsoever at the Federal level. This concerns us very deeply and we feel that it has very grave implications, not just for home economics but for families throughout the entire country. I think it brings deep limitations to the colleges and universities and it may complicate extension work. We don't know how to provide answers and that is why we are here. We feel very definitely that there should be some provision at the Federal level for research in the several areas of home economics which now have been curtailed. We have not asked for increased

appropriations for the particular areas. We would welcome increased appropriations if that was feasible. However, our greatest concern is the restoration of these areas of research in home economics rather than having them curtailed.

Mr. ANDERSEN. What are these particular areas you mention?

Miss BONDE. They concern family economics; they concern textiles and clothing, family budgeting, household equipment—all of which are a part of home economics, as is also food and nutrition.

Mr. ANDERSEN. Household food, consumption, family budget, and expenditures?

Miss BONDE. That is correct.

Mr. ANDERSEN. And you are objecting to the exclusion of research in these fields?

Miss BONDE. In those areas, that is right. We just do not feel that this makes for a balanced program of home economics research. Food and nutrition we recognize as being terribly important. We all like food. We feel that it is exceedingly important to maintain the resources of the family, but, on the other hand, the other home economics areas are important also.

Mr. WHITTEN. We would like to direct your attention to this work that they have done heretofore. What use has been made of that? Is there any way for us to judge how essential the results of the research has been? How much has it been used by the State land-grant colleges in connection with their work? To what extent have your county agents actually utilized the findings?

Mrs. BURNS. They can depend on Federal home-economics research largely because in many States there is no home-economics research going on, or, a very small amount, so I would say that home-economics extension depends almost entirely upon research in the human nutrition and home economics research branches.

Mr. WHITTEN. That fits in with what I had understood about it. Now, the ladies who work out of the land-grant colleges, primarily are dealing with supervision and school meetings where they bring the group together on an educational basis, as against research. Isn't that true?

Miss CANOYER. Some research goes on at the State level but I think Mrs. Burns was saying there are a lot of States who don't have such funds to have the research program of quality and magnitude such to provide the data they need.

Mr. WHITTEN. How many States would you say depend upon material either from Washington or from some other State?

Mrs. BURNS. I suppose all except a few States have some home-economics research and use that prepared at the Federal level and the State levels. A complete program cannot be carried on with only 2 or 3 research workers in home economics.

Mrs. MASSEY. There are few who have these forums in their States. Every land-grant-college laboratory supplies material for these bulletins and they are used very widely.

Mrs. BURNS. They are used as a basis for teaching in the counties. The home demonstration people use them constantly.

Mr. WHITTEN. Could you make available for us within a few days' time a list of the bulletins that have been released by this research in recent years? Could that be made available to us? My purpose in asking that is to find out how many of those bulletins were used.

Miss BONDE. The one most sought of the 10 most high on the list are bulletins—I understand it is 6 out of the 10, they are on home economics.

Mr. WHITTEN. My observation in the area of the country that I know best—and that is in the South—is that the success or failure of the Farmers' Home Administration is more dependent on the wife in the home than on the husband. Almost without exception, the men who succeed in farming on the average scale, whether it is a combination of form of life and a way to make money, have a wife in that home with ability to handle the family finances. That is certainly a major factor in the success or failure in farm homes.

Mrs. BURNS. I think another thing right now is, the Department is so interested in this unit approach to farm families, for which you appropriated additional funds last year. We feel it is very essential in home economics to have some of this research on the use of the income, because as you say, you are not only going to help the farmer, but if that farmer is going to get a better level of living it is going to be necessary to help the homemaker, because you know that a woman can throw out more with a teaspoon than a man can bring in with a shovel.

Mr. WHITTEN. Yes we have heard that.

Miss MASSEY. What we have is a gradual reduction of home economics research, which is now more completely wiped out and this is one of the most basic concerns.

Mr. WHITTEN. Some of these projects have been carried on a long, long time. However, I think we need to go rather slow before we cut out something that might be of vital interest and vital benefit. We appreciate your statement.

Is there anything further?

Miss BONDE. Well, we don't quite know what to ask, but it seemed to us that because the order has already been given—I mean this is a reality—that we are talking about it. It is our suggesting that the best way to get it restored is to get a rider on the appropriations bill stating that such research shall be included.

Mr. WHITTEN. We can write riders, but what you want is a directive. Of course, the executive department is of equal stature with the legislative body, and there is no way for us to force that other than to make money available for certain purposes. Whether it would be so used would be up to the Department, since it is a part of the executive department.

Miss CANOYER. Could you say that this money is available for a continuation of the same balance in home-economics research as they had last year, which would not say that they had to do a certain thing, but that they had to maintain it?

Mr. WHITTEN. We would point out how the committee felt and make recommendations. I can't speak for the committee at this time, until they pass judgment themselves, but the limit of what we could do would be to recommend what we thought should be done in the further readjustment of that plan. Our relations have been such that they have been cooperative on such things. We do appreciate your appearance, and we will certainly give some thought and attention to what can be done.

Miss BONDE. We will appreciate that, because it seems to be a problem that has very great ramifications.

Miss HENDERSON. If you were going to take one field, I expect we would say "family economics."

Miss HARRIS. Of those 6 bulletins that are among the 10 most called for bulletins in agriculture, 1 was on stain removal from clothes, which means that the women of this country have been dependent on home-economic research in textiles as well as research in foods or anything else.

There is one combination of this that I would like to mention, and that is if the concept of home economics is to be narrowed to just foods and nutrition, it is going to have repercussions on the program in the States which we represent and in which we are tremendously interested. And as goes USDA and home economics so goes the land-grant-college system. We all view with alarm weighting research in home economics on one area of home economics.

Mr. WHITTEN. I have been a second guesser on a good many projects where I couldn't see a good deal of merit. We frequently recommend reductions or cutting out this type of work on the basis that this kind of work is available from some other source.

That unquestionably is true, but to change the source from one where the farm women have been accustomed to getting it, and to conclude that they would just as readily get it somewhere else, is a big presumption.

Every Member of Congress sends out each year a list of farm bulletins. Personally, I get many, many requests for them. Surprisingly I get many requests from the faculty and students from the State university.

A lot of that goes out that I'm sure people would never get, if this source was dried up. The chances are that the information on spot removal can be obtained from those in the business. But I wouldn't know who to write to get it.

Miss MASSEY. We have been teaching in college and we know of no source for information on buying equipment than the bulletins that are sent out.

Miss HARRIS. It is more economical to do certain things that pertain to homes throughout the country at the Federal level than it is for 48 States to do them. Now in agriculture, it may be that because of the difference of soils in Kentucky and Mississippi that each of those States would need to put out a bulletin on growing tobacco, but I don't believe that same difference prevails in regard to home economics. I think the problem of homes are more nearly national, the division of money, how to manage family income, and so on—there would be no more difference between 2 families in Tennessee, than there will be between 2 families in Tennessee and New York. It is on the same level.

I think this distribution of popular bulletins on homemaking is really a fine thing for the Federal Government to do. I don't think we will ever replace it. By issuing a directive stopping something that we have been depending on for 34 years, you are taking away a bureau that was created at the request of the women of the country. We have learned to depend on it.

Mr. WHITTEN. We do appreciate your appearance. Thank you.

THURSDAY, MARCH 10, 1955.

## MARKET NEWS SERVICE

### WITNESS

### HON. PAGE BELCHER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. MARSHALL. The committee will come to order. We are very pleased to have with us this afternoon the Honorable Page Belcher, our colleague from Oklahoma, a member of the House Agriculture Committee, who has also had a deep interest in all agricultural matters. We will be very glad to hear from you at this time.

Mr. BELCHER. I want to express my appreciation for your giving me this opportunity to come over here and take up a few minutes of your time. I want to make this just as brief as I can. I will quote pretty much from a letter written to me from Mr. Lee W. Clinton, president of the Tulsa Stockyards, Tulsa, Okla. The following is excerpts from his letter:

Within the last year we have written you a number of time regarding the United States Market News Service for the Tulsa market and we appreciate the interest you have taken. Some way the fact should be made clear to the Department of Agriculture that market news emitting from the Tulsa market is of broad regional significance and no market has a greater media for disseminating the news. We are at a loss to understand how Houston, Tex., can be in category No. 2 and we in category No. 3. Fort Worth and San Antonio are in category No. 1 and Oklahoma City category No. 1.

We are enclosing a statement of our distribution of receipts for the year 1954 which shows a total of 137,486 cattle, 50,173 calves, 62,356 hogs, and 4,226 sheep and lambs sold through the Tulsa market for which $16,645,039 was paid. At this time we do not have December's figures for Houston, but, according to the United States Market News report for the first 11 months of 1954, 61,248 cattle, 184,530 calves, 1,910 hogs, and 613 sheep and lambs were sold through the market. While Houston handled over 3 times as many calves, we more than doubled their sales of cattle; had 33 times more hogs, and 7 times more sheep and lambs. We are positive the amount of money paid out at the Tulsa market will far exceed that of Houston.

The market news service is vital for a cattle and hog market. There are so many grades and classes of cattle while with calves there are basically three classes—veal, heavy slaughter, and stockers and feeders. From our distribution of receipts statement you can see our market has fast become a cattle center. For instance, in 1937, shortly after the market opened, 62,419 calves were marketed and only 50,049 cattle. While hog receipts here in 1954 were far under former years, the hog population is down all over the United States and we stand high in the national rating.

The farm department of Radio Station KVOO is known all over the United States and our market reports are given at least 27 times a week with a good number broadcast directly from here at the market. Now the new television station in connection with KVOO is developing a farm department. In addition to KVOO, all the other radio stations of Tulsa and Television Station KOTV carry our markets. The two daily newspapers could not be more cooperative. We are enclosing an editorial from the January 1 Tulsa World.

At the present time the State of Oklahoma is furnishing the market news reporter on a 3½-day basis and the Federal Government is furnishing the leased-wire service. The Tulsa stockyards are paying most of the incidentals, such as telephone, supplies for the teletype (ribbons, paper) postage, and other office supplies, as well as furnishing the office space, heat, light, water, janitor service, and secretarial help. There is no provison for any Federal help after June 30, 1955.

We are asking that the Federal Government participate to the extent of furnishing a market reporter. We will be glad to bear part of the expense of the service and we are sure ample funds will be appropriated at this meeting of the

State legislature for the State's portion. We want the market reports from the Tulsa stockyards to reflect grades and classes comparable to reporting from the other top public markets. We are drawing livestock from Arkansas and southeastern Kansas. Eastern Oklahoma is becoming nationally known as a livestock center as evidenced by the larger herds of purebred cattle—the number of purebred sales held in Tulsa and from the Tulsa State Fair. From the statement of distribution of receipts you will see that a good share of the receipts goes for immediate slaughter. Our market has gained quite a reputation in the Corn Belt area as a dependable source of feeder cattle. With the severe drought in this area this year, that outlet was beneficial to our customers.

Now, I want to read an excerpt from a letter I got from Mr. Earl Butz, the Assistant Secretary of Agriculture.

An appropriate comparison between the situation at the Tulsa market with that at the Houston market is set forth in Mr. Clinton's letter. Both markets were classified by the Department of Agriculture in category 3. The reinstatement of the Federal market news service at Houston on a Federal-State financed basis, however, resulted directly from congressional action rather than from a reclassification of the Houston market by the Department. If similar action should be taken by Congress in regard to the Federal market news service at Tulsa, we shall be prepared to provide a Federal market news reporter and to reinstate the service as soon as agreement is reached with the State concerning the sharing of financial arrangements.

Now, in the meantime, the State legislature in Oklahoma has appropriated $4,000 to be used to take care of their share of this arrangement and the city of Tulsa has put up $1,500. If you gentlemen could put an item in for $5,500 to match that $5,500 that has been put up by the State of Oklahoma and by the city of Tulsa, that would make $11,000, and they tell me, there, the president of the stockyards association there in Tulsa tells me that $11,000 would carry on a very good marketing news service, which could be used.

Mr. MARSHALL. They anticipate carrying this on as an annual contribution, do they?

Mr. BELCHER. I think so. I think that the legislature in the city of Tulsa would be willing to carry theirs on. I know they have already made the money available for 1 year, at least. That is the picture. I talked with the Department of Agriculture about it and they said they did not want to put the item in the budget in view of the category they have set up here but they have no objections, if the committee here wants to place it in here, and they are ready to begin operations immediately if it is placed in the budget. As I say, it will take $5,500 to match the funds in Oklahoma.

Now the people of the State of Oklahoma, as evidenced by their legislative action, feel that it is a valuable service, to the extent that they are willing to put up $4,000 and actually feel that it is very valuable, as evidenced by the fact that the city of Tulsa, also, is willing to put up $1,500.

Mr. ANDERSEN. Mr. Belcher, as you have said, that part of Oklahoma has developed into quite a cattle country in the last 20 years; has it not?

Mr. BELCHER. It really has. You gentlemen from Minnesota especially know that. The Osage country is one of the fine cattle countries of the whole Nation. There is no finer pastureland and no finer heards anywhere than right in that area. It has also been a good range cattle area, but more and more it is developing into a thoroughbred area.

Mr. ANDERSEN. I know your area pretty well, Mr. Belcher. Years ago I bought quite a few cattle down through that part of Oklahoma. Mr. Chairman, from what I have gained in discussing this problem with Mr. Belcher, I feel that, similar to the California case we have had before us, here seemingly is good cooperation with the State. It would be wise to open up a market news service at this point.

Mr. BELCHER. The legislature is right there on the ground, and the city of Tulsa is right there on the ground. When they are willing to invest their own money in it, it must be fairly stable.

Mr. ANDERSEN. Then, too, the quality of livestock that clears that market is good?

Mr. BELCHER. They have a good report there and it is a big livestock center.

Well, gentlemen, you have a lot of problems and I don't want to take up any more of your time than necessary. I think you see the problem and unless there is some question I am just going to leave it with you and I know you gentlemen will handle it.

Mr. MARSHALL. We are always glad when any of our colleagues on the House Agricultural Committee come over and give us the benefit of their views. We appreciate the fine cooperation and coordination that we have with our friends on the Agriculture Committee. It is a pleasure to have you come over and visit this committee.

Mr. BELCHER. Thank you very much for your time.

Mr. ANDERSEN. I, too, wish to express my appreciation for Mr. Belcher coming before our subcommittee. He has always been very helpful in the many problems that confront us.

THURSDAY, MARCH 10, 1955.

FRUIT AND VEGETABLE PRODUCTS LABORATORY, WINTERHAVEN, FLA.

WITNESSES

HON. SPESSARD L. HOLLAND, A UNITED STATES SENATOR FROM THE STATE OF FLORIDA
HON. GEORGE A. SMATHERS, A UNITED STATES SENATOR FROM THE STATE OF FLORIDA
HON. A. S. HERLONG, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA
HON. JAMES HALEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA
HON. PAUL G. ROGERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA
HON. D. R. MATTHEWS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA
HON. DANTE FASCELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA
HON. WILLIAM C. CRAMER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA
C. C. RATHBUN, TAMPA, SECRETARY-MANAGER, FLORIDA CANNERS ASSOCIATION
HOMER HOOKS, LAKE WALES, MARKETING MANAGER, FLORIDA CITRUS CANNERS COOPERATIVE
DR. W. R. ROY, PLYMOUTH, VICE PRESIDENT AND DIRECTOR OF RESEARCH MINUTE MAID CORP.
DR. L. G. MacDOWELL, LAKELAND, RESEARCH DIRECTOR, FLORIDA CITRUS COMMISSION
C. B. STREETMAN, VERO BEACH, REPRESENTING THE FLORIDA FRUIT & VEGETABLE ASSOCIATION
GEORGE WEDGEWORTH, GROWER AND SHIPPER, BELLE GLADE, DIRECTOR OF FLORIDA FRUIT & VEGETABLE ASSOCIATION
HARRY E. KING, STATE SENATOR, CITY ATTORNEY FOR WINTER HAVEN
W. W. GIDDINGS, WINTER HAVEN, VICE PRESIDENT OF SNIVELY GROVES, INC., CHAIRMAN, INDUSTRY ADVISORY RESEARCH PANEL TO THE USDA FOR WINTER HAVEN BYPRODUCTS STATION

Mr. MARSHALL. The committee will come to order.

We are very pleased this afternoon to have with us our good friend and colleague, Congressman Herlong; Senator Holland; our colleagues, Congressman James Haley, Congressman Rogers, Congressman Matthews, Congressman Fascell, and Congressman Cramer. We are pleased to have your group here this afternoon to discuss problems that we know are very important to you. The committee will be glad to hear Congressman Herlong at this time.

Mr. ANDERSEN. Mr. Chairman, I would like to join in welcoming this group. Florida is a great State and has wonderful potentialities in agricultural development.

Mr. HERLONG. Thank you very much.

We have prepared here an outline of all the testimony that is going to be given today, so you will have it.

Previously, in connection with this problem, we have given each member of the committee a brochure containing something of the background and an outline of the problem that we have in Florida.

We are requesting an appropriation for the construction of a new citrus-products utilization laboratory building to be located in Winter Haven, Fla.

This project isn't even located in my district, but it affects the entire citrus industry, and because it is so vital to the whole citrus industry we of Florida, every one of us who have any citrus in our districts, are here to try to show to you the need for this building and the inadequacy of the present facilities for research for citrus-products utilization.

Mr. MARSHALL. Congressman Herlong, having served with you in the Congress, we can say this is typical of you. You are interested in agricultural development throughout the United States, and you do not confine your interests just to your district.

Mr. HERLONG. I thank the gentleman.

I certainly am interested in all agriculture.

Now as to our immediate problem. Several members have seen the inadequate laboratory we now have in Winter Haven.

The laboratory was first installed in 1931. At that time there were 22 million boxes of oranges and grapefruit shipped out of Florida. Only 9 percent of the grapefruit and about three-tenths of 1 percent of the oranges were processed. Since that time our citrus industry has grown to the point where last year we shipped 131 million boxes of oranges and grapefruit. During this period of time there has only been one minor addition to this laboratory.

We have here today gentlemen representing every phase of the citrus industry, but before we get into their testimony I should like to show you some pictures of the facilities that we now have. Some of you have seen them. We are crowding some 16 professional and subprofessional men into areas where only half that number can work efficiently.

Last year out of the 131 million boxes of oranges and grapefruit that were shipped from Florida, 63 percent of it went into processing, into cans, frozen concentrate, and the like.

This laboratory has done a magnificant job, as their facilities are available, in providing for greater utilization of citrus and citrus products, but every time you solve one problem you manufacture another. Let me give you one little example: We developed the process for making frozen concentrated citrus. Upon that being developed, it was shipped in frozen concentrate form, in cans. Then came the problem of what to do with the pulp. Just dumped out, it rots and creates a bad odor. Something had to be done with it. This laboratory along with others, developed a process for making cow feed out of it. Some 300,000 tons of it was shipped last year. That is one of the problems they have solved, and there will be others.

Now, recently they have asked this laboratory to take on the additional duty of handling the problems arising in connection with the vegetable and subtropical fruit industry. They would like to handle these problems. They can use some of the same material and equipment they now have in working on them. But it is not possible for them to do it with the facilities they now have. They just cannot do it. Not only can they not take on this additional work, but there

have been some 23 or 24 citrus projects that the Citrus Advisory Committee has requested this present laboratory to work on that they haven't been able to do because of lack of space and facilities.

I have a list here which I hope will be put in the record, of the things the Citrus Advisory Committee has asked them to go into in the last 5 years and they haven't been able to get to them.

Mr. MARSHALL. That will be placed in the record at this point, without objection.

(The information referred to follows:)

Projects which have been considered important by the Citrus Fruit Advisory Committee and which have not been actively pursued due to a lack of personnel and/or facilities include the following:

1949: Preparation and publication of a citrus products bibliography.

1950: Isolation and identification of constituents of citrus fruits possessing vitamin P activity.

1951: Studies of how high the concentration of both frozen and hot-pack juices could be carried and still maintain acceptable quality.

1952: Storage of frozen and other type citrus concentrates including a wide range of commercial packs and a study of the development of cardboard off-flavor.

1952: Development of high-density concentrates suitable for room temperature or refrigerated (not frozen) storage.

1952: Development of a method for direct bacterial count for routine plant testing.

1953: Expand research on ultrasonics and other methods of inactivating enzymes other than by the use of heat.

1953: Expand fundamental studies on organisms other than E. Coli, especially those affecting flavor and causing deterioration of citrus products.

1953: Expand work on the development of new food combinations and preparations utilizing all kinds of fresh and processed citrus for institutional and home use.

1953: Initiate research to determine in citrus fruits, the content of important nutrients including carbohydrates, organic acids, minerals, and newly identified vitamins with emphasis on the nutritive value of foods as eaten.

1953: Expand work on the chemical composition of citrus juices to include a comprehensive study of the identity and reactivities of all the important constituents present in orange, grapefruit, lemon, and tangerine juices.

1953: Expand research on the identification, separation, and purification of the important citrus flavonoids, and study of their physiological effects on laboratory animals.

1954: Expand the work on development of new or improved grapefruit products of acceptable consumer market quality.

1954: Expand studies of the enzyme systems present in citrus fruits and their relationship to the biological changes which occur during the interval between harvesting and processing.

1954: Expand time-temperature tolerance studies of frozen citrus juice concentrates to include lemon, tangerine, and grapefruit juice concentrates.

1954: Initiate research to evaluate and reconcile methods for the accurate determination of soluble solids in citrus fruits.

1954: Initiate investigations to determine whether or not seed proteins are present in commercially extracted citrus juices.

In addition to the above, the Florida Citrus Products Research Panel, composed of technical representatives of the industry appointed by the Florida Canner's Association, has recommended the following projects which have not been adequately treated due to limited facilities:

1953: Expand fundamental studies on composition and quality of citrus juices as affected by method of extraction.

1954: Development of fundamental and basic knowledge regarding the complete composition of citrus products, including enzyme systems that may affect quality of processed citrus products.

1954: Studies on the cause of off-flavors in frozen grapefruit concentrate are urgently needed.

1954: Expand research to evaluate and reconcile methods for the accurate determination of soluble solids in citrus fruit products, particularly to establish more accurate corrections so that true soluble solids can be determined by the refractometer with greater accuracy.

The projects listed above are only those considered sufficiently important by the official industry advisory committees to merit their being listed in spite of limited facilities for expanded research at the station. They do not include possible scores of projects which could be profitably studied.

All the above projects are concerned with citrus. There is no facility at present available for any kind of work on other subtropical fruits or vegetables. The attached photographs, drawings and detailed descriptions of present facilities indicate the overcrowded conditions at the station, and illustrate limitations preventing much-needed expansion.

Mr. HERLONG. These pictures I am showing you prove the inadequacy of the present facilities. I have people here today who will testify on the various phases of the industry, just how they are affected by this inadequacy and how this laboratory can help them.

The first witness I would like to call on at this time, of course, is our colleague James A. Haley who so ably represents the district in which the present laboratory is located. He has been and is intensely interested in this project. Congressman Haley.

Mr. HALEY. Mr. Chairman and gentlemen of the committee, I am James A. Haley, a Member of the Congress from Florida. I am vitally interested in the project, naturally, because it is in my district and it is something that would contribute a great deal to the economic development of not only my district but the entire State of Florida. We have men here who are very able men and would have had years of experience in their line of endeavor. I don't want to take the time of the committee, other than to say I am wholeheartedly for this project.

(A prepared statement by Mr. James A. Haley follows:)

Mr. Chairman, and gentlemen of the committee, I want to say just a few words this afternoon in support of the proposed Fruit and Vegetable Products Laboratory, to be located at Winter Haven, Fla.

First, I want you to know that I lend my most wholehearted and enthusiastic support to this item in the appropriation bill. The district which I represent will benefit tremendously from this new laboratory, for my district is a leader in the production of citrus, subtropical fruits, and vegetables. Not only would the laboratory be located in my district, but the untold good to be derived from the laboratory will increase the economic standard of most sections of agriculture in my district and the State of Florida. But as you know, the accomplishments of research are not generally confined to the locality in which scientists carry on their work. Texas, California, and most of the southern States will benefit, thereby increasing the standard of economy of the entire country.

Some of the leaders of the various phases of our agriculture which this laboratory will serve are here this afternoon to present factual data which shows the concrete need for this laboratory now. But I would like to make one observation about research. In order to have an effective applied research program going at all times, the program of fundamental research must flourish. Through our highly developed and well-supported research facilities of the State of Florida and of our private concerns, the field of applied research continues to make great strides. The history of the United States Department of Agriculture has been and should continue to be in the field of fundamental research. The Federal Government should continue to complement the existing facilities in a well-coordinated program of research.

It is my sincere hope that this committee will give a favorable report on this item in the bill. Thank you very much.

Mr. MARSHALL. Let me say there is no more able man among us than Mr. Haley.

Mr. HERLONG. I would now like to call on the Representative from the area adjacent to Mr. Haley's district, Congressman William C. Cramer, of St. Petersburg.

Mr. CRAMER. I would like to say at the outset this is one of those instances where there is completely bipartisan support for something that we believe will not only be in the best interests of the people of the State of Florida, but the Nation as a whole. I think there is some tremendously constructive work that could be done in the nature of research through the improvement and extension of this facility for the purpose of fruit, vegetables, and other products research.

I think you have been shown by others before the committee the necessity for extending this facility, at this time. My district is a district which has a considerable amount of vegetable products and a large amount of citrus products. Our district is extremely interested in seeing that this facility is extended and that we feel it would be of tremendous service, not only to any single district, but to the entire country. I urge as strongly as I possibly can that you give favorable action to this request.

I appreciate this opportunity to appear before you and urge favorable consideration of a matter that is of great concern to the State of Florida and the entire South. The economic stability and future economic growth of my State and surrounding States is affected by the processing of our agricultural production. Florida is a large and growing State. The production of its subtropical fields is almost phenominal. The wealth of its food products, serving the Nation as a garden of fruits and vegetables, is important to our country and the continued health of our children. Fresh vegetables and citrus fruits from Florida are helping to build a sturdy America and our harvests are at a time when production throughout the Nation is at a low ebb. The healthful properties of Florida fruits are known the world over.

I urge that you give consideration to the construction of new and additional facilities for research in the field of citrus and vegetable utilization. There are many economic reasons that this is a problem for the Federal Government in conjunction with the industry and State facilities for research.

The production of Florida citrus fruits has adanced to a point where my State produces more than two-thirds of the national crop. Florida vegetable production has steadily increased over the years and my State now stands second in produced tons in the country. Nearness to markets for fresh fruit and vegetable sales has proved of great value in the marketing of these crops.

The problems of the fruit and vegetable industries today are contained in the continued growth of new citrus plantings and continued expansion of vegetable acreage. Processing of Florida citrus has taken great strides and today nearly two-thirds of this crop is marketed in this manner. Processing of vegetables is beginning to be a more important factor and the future of the vegetable crops of Florida lies in continued and expanded production with processing playing an important part in the marketing of crops and support of fair returns to the producer.

The expanded research facilities requested of your committee, gentlemen, not only will be the saving of the economy of this agricultural area of the Nation but will result in the full benefits of better products and a greater share of health-giving foods to the families of this Nation. These fruits and vegetables are available in ever-increasing

quantities. Their delivery to your homes under new processes of canning, quick freezing, and other means depends upon the immediate expansion of these recommended research facilities.

You will have testimony of great interest and value as to the programs proposed by the Department of Agriculture and supported by all segments of the citrus and vegetable producers and processors of the State of Florida. I am particularly interested in the research that will produce, first, processed fruit and vegetables of quality equal to that of fresh fruit and with storage qualities that will maintain such freshness over extended periods of time.

Secondly, I am interested in the development of byproduct items that will benefit the consumer and stabilize the prices of these agricultural products. Only through the proposed research can such goals be obtained. The urgency of the problem at the present time is brought about by the time consumed in the construction and equipping of these facilities and then extended periods of time needed to develop and confirm the value of the methods and processes under test before they are commercially available.

An appropriation by this committee in the neighborhood of eight to nine hundred thousand dollars is recommended. The importance of this sum is dwarfed by the yearly dollar value of fruits and vegetables produced in Florida; citrus alone will probably exceed $300 million; Florida vegetables nearly $150 million. The value of all Florida agricultural products to the Nation's economy should be above three-quarters of a billion dollars.

It is important to Florida and the Nation as a whole that this agricultural development be extended and the firm ground of profitable return for the industry and the grower be established. This can only be done through research as outlined in these presentations before you and in my statements above.

I would urge you in the strongest of terms to fully and favorably consider the appropriation of funds for the purpose of establishing these research facilities as proposed.

Mr. ANDERSEN. Thank you for a very fine statement, Mr. Cramer. You show a good grasp of your problem.

Mr. HERLONG. I now call on Congressman Fascell, of the Miami district.

Mr. FASCELL. I would like to submit for the purposes of the record a statement in evidence of Mr. Henry R. Pridgen who, if he were here, would testify as this statement indicates.

Mr. MARSHALL. That will be put in the record at this point.

(The statement referred to follows:)

SEMITROPICAL FRUITS—EVIDENCE SHOWING NEED FOR UTILIZATION RESEARCH FACILITIES

I am Henry R. Pridgen, south Florida native, avocado-grove owner, and manager of one of the oldest and the largest commercial grove-caretaking organizations in south Florida.

The following testimony purports to show at least some part of the need for utilization research laboratory facilities in Florida to develop byproducts from avocados, limes, and mangos, which are lumped together under the term "Semitropical Fruits."

AVOCADOS

Production of avocados in Florida has been increasing by "leaps and bounds" in the last 5 years and is expected to increase sharply for another 4 or 5 years. It is characteristic of an avocado tree to increase in production as it increases

in age and size. There are currently in south Florida some 7,500 acres of bearing avocados plus 1,500 acres of nonbearing. The average annual yield will have to increase. In 1951 Florida State Marketing Bureau figures show production of 220,000 bushels of avocados; in 1952 this rose to 260,000; in 1953 to 348,000; in 1954 to 424,000. The farm value per bushel in 1951 was $3.35; in 1952, $2.65; 1953, $3.05; 1954, $2.70. Unofficial figures for the current season will show a total production of about 470,000 bushels with a net return under $2. Since the very beginning of the avocado industry in Florida and up until the current fiscal year, there were no grade, size, quality, or maturity standards on avocados and, quite frankly, we admit that for the most part our avocados were sold on a "catch-as-catch-can basis." Immature fruit were habitually and annually put into commercial trade channels. Our marketing outlet consisted and still consists only of the fresh-fruit market. Now, for the first time, Florida has a Federal marketing agreement on avocados. Florida growers are attempting to simultaneously offer a standard high-quality product to the consuming public and make a reasonable profit for their efforts.

The result of this program is the removal of unfit and undesirable fruit from commercial channels. The amount of fruit removed this year will reach 50,000 bushels, which represents almost 11 percent of the total production. Since production cost, according to county agent figures in a study of 2,489 acres over a 10-year period, was shown to be $3.43 per bushel on the tree and, as I have previously stated, the average return this year is under $2—also on the tree— some idea of the current situation may be had. (Incidentally, Dade county agent figures, in the 10-year study mentioned above, show an average net loss per acre of $11.33 for the 10-year period.) It is essential to the future welfare of the industry and whatever economical influence it has on the welfare of the State and Nation that utilization research facilities be made available and used at the earliest practicable moment in order to develop additional uses for avocados.

LIMES

The British Navy has been the butt of jokes for many decades because they utilized limes and lime juice as part of the regular diet for the crew back in the days when ships were made of wood and sailors of iron. The British, by trial and error, discovered that through the use of limes their crews could stay at sea longer without catching scurvy. Unquestionably this practice by the British Navy in bygone days was a major contributing factor to the success and effectiveness of Great Britain as a world power. It is cited here as a more dramatic example of how the results of research (sometimes in the most unexpected quarters) can affect the history of the world. Florida is the major producer of limes in the United States, producing in 1949 92.2 percent of the United States' limes, or 15,175,000 pounds. In 1951 Florida produced 280,000 boxes of Persian limes; in 1952, 260,000; 1953, 320,000; 1954, 370,000; and in the current year unofficial estimates placed it in excess of 400,000 boxes. Returns for these years' farm value per 1⅗ bushel box show: 1951, $1.88; 1952, $3; 1953, $3.39; 1954, $5.10. In 1954, studies prepared on 7 producing lime groves in south Florida show a net profit per acre of $581, which admittedly is very unusual. By contrast, in the current fiscal year lime groves in south Florida under study showed a net loss of $87.48 per acre.

This in spite of the fact that yield figures stayed comparable with the previous year and production costs actually went down. The key to the whole thing lies in the fact that in 1954, as previously stated, the average price per box was $5.01 whereas in the current year county agent's figures showed 98 cents. Tremendous variations in price in the absence of major natural or economic disasters can be attributed only to the fumbling of an industry lacking in vital information about its own affairs. By exercising our hindsight a little bit we now realize that some bad human errors were made in 1953 and 1954 which resulted in the ruinous prices of 1955. It is true that the discovery and utilization of limes for fresh, frozen juice in the past 2 years has tended to stabilize the lime industry. However, production and ineffectual marketing practices in this industry have now reached the point where prices are being depressed. The Florida lime industry is currently in the process of obtaining a Federal marketing agreement and it is anticipated that in time more effective marketing procedures will result. We cannot help but feel that overproduction must not be considered a factor in the long run because certainly 400,000 bushels of produce is no great amount. We believe that utilization research is the correct and intelligent approach to a stable and reasonably profitable lime industry.

MANGOS

South Florida is the exclusive producer of mangos in commercial quantities in the United States. This delicious fruit is highly perishable and is marketed over a very short period of the year. Complete utilization of it during the short harvesting season in fresh form only at an average price greater than average production cost is not done with any consistency. The plain and simple truth of the matter is that the mango industry is in its infancy. We know that many mistakes are being made and then repeated because of the lack of information of all kinds concerning mangos. Utilization research can do more to help this budding industry than perhaps any other type of research, because given the incentive farmers can produce for their own and the Nation's economic welfare.

SUMMARY

Broadly, all of these semitropical fruits are predominately utilized in the United States in the fresh form. Neither basic nor applied utilization research on these fruits grown in Florida has been implemented to the degree necessary to match the progress and development of the semitropical fruit industry in the State. Geographically, the Florida fruitgrower bears the responsibility for producing an adequate supply of these perishable semitropical fruits for consumption by the Nation in the late fall, winter, and early spring. The economics of semitropical fruit production, distribution, and sales in Florida need a shot in the arm and we believe that additional uses must be found for these fruits in order for Florida producers to remain geared on a level of production which will keep themselves and all component parts of their production and distribution system in economic balance.

We, the growers of avocados, limes, and mango, respectfully urge that the Agriculture and Appropriations Committees of the United States Congress include in the next appropriation bill funds adequate—

(1) to increase, improve, and, as necessary, rebuild the physical housing and equipping of the facilities now known as the United States Citrus Products Laboratory in Winter Haven, Fla.; and

(2) to provide and increase services of research staff and personnel of this station so that it can continue to be of maximum value to the citrus industry it now serves and be of similar value and service to the vegetable and tropical fruits industries.

Mr. FASCELL. This takes care of research in semitropical fruits and vegetables.

Now, I would like to enter a statement of my own regarding this matter. I am Dante Fascell, a Member of Congress from the Fourth District of Florida. My district comprises two counties, Dade and Monroe, right at the tip end of Florida. Many things have been said about this great State of ours that it is impertinent, that it is unrealistic, that it is a show place, and that it is a magical play land. Perhaps all of those things are true, particularly down where I come from, which is known as the gold coast, when you think of Miami Beach. Yet I want to emphasize this thing: That Florida is a State, and what I say is also true for my district, and it is a State that has a tremendous amount of backland. Ours is a thriving, energetic, stable community, statewide, and what we have in the way of magical play land could not possibly exist without the orderly and progressive development of that backland.

I am sure that the statistics will bear out the fact that in every phase of this development, whether it be cattle or citrus or vegetables or other agriculture, that Florida stands high in the Nation in this field. We have a tremendous amount of backland in my district and around the great metropolis of Miami, Miami Beach, and the other 26 towns that are there. We have a considerable amount of agriculture. Truck crops, citrus, and subtropical fruits. The testimony will show that we are limited in what we have done and yet the growth

has been phenomenal. It has been dynamic. But it doesn't begin to show anything of what could be done with just a little help.

The testimony of Mr. Pridgen directs itself particularly to the fruits of avocados, limes, and mangos. Yet, there are other varieties of fruits which are not only commercially profitable but which would mean a great deal to the economy of the country. Papaya is one example. The chemical propensities of papaya have not even yet been evaluated and it would mean a great deal, not only from the standpoint of agriculture, but from the standpoint of actual industry throughout the United States.

And, so I would conclude my remark by saying that we heartily endorse the extension of these facilities, not only because of the need and the necessity for our district, but in the State of Florida. Because we believe the testimony will show conclusively that this facility will lead to the development of our back country, will add a great deal to our production and it will be an important contribution to the entire economy of the United States.

Thank you very much.

Mr. HERLONG. Mr. Chairman, I may say with reference to Congressman Fascell, one of the more desirable varieties of the mango was developed by his uncle and bears the name "Fascell mango." Congressman Fascell knows what he is talking about because he has been associated in the subtropical fruit business all of his life.

Mr. MARSHALL. He has presented a forceful statement to this committee.

Mr. HERLONG. I should like at this time to call on Congressman Rogers from the Sixth District.

Mr. ROGERS. Mr. Chairman and members of the committee, it is a pleasure for me to have the opportunity to endorse the remarks made by my colleagues and also just point out to you very quickly that it is a very important project for Florida and for the United States. Coming from the Sixth District of Florida, which is south, actually, of the location of this proposed laboratory, or extension of this laboratory, I would like to point out that we are known as the fruit and food basket of the United States. These vegetables, many of them that you consume right here in our northern cities, particularly right here in Washington, come right from the Sixth District of Florida. It is most important that this project be continued and expanded because of the fruit industry, there, that we have.

I am sure all of you have heard of the famous Indian River citrus fruit and other famous brands that are known worldwide. All of these interests in Florida need this expanded facility. I urge very sincerely that you give favorable consideration to this program. Thank you.

Mr. HERLONG. At this time, Mr. Chairman, I would like to introduce Congressman D. R. Matthews, Eighth District of Florida.

Mr. MATTHEWS. My name is Billy Matthews and I would like to associate myself with the views of my colleagues from Florida who have requested this improvement in the research facilities of the laboratory at Winter Haven. I am convinced that much work is needed in citrus research, vegetable research, and the subtropical research area. I sincerely believe that it will be not only of help to Florida but to the whole Nation if this great committee can approve

the requested appropriation to make these facilities possible. Thank you very much Mr. Chairman.

Mr. MARSHALL. Thank you very much for your statement.

Mr. HERLONG. At this time I should like to call on our distinguished senior Senator from Florida, who lives in the county where this laboratory is located, Senator Holland.

Senator HOLLAND. Mr. Chairman, I appreciate very much the opportunity to appear briefly before your subcommittee today and to file a statement for the record in support of an appropriation with which to construct a new and greatly needed Fruit and Vegetable Products Laboratory at Winter Haven, Fla. It is my understanding that the proposed laboratory will cost an estimated $810,000, which, in my opinion, will ultimately return many times that amount to the Federal Treasury in taxes.

In order to clearly understand the great need for increased facilities in the field of research in connection with our citrus and vegetable industries in Florida, it is necessary to realize the tremendous growth which has taken place in these industries over the past few years, the new markets which have been developed as a result of improved processing methods, and the still untouched markets which will be developed if adequate research facilities make possible still other improved processing methods.

Since 1930 the steadily increasing volume of citrus fruits grown in Florida has been unprecedented in the history of any other agricultural commodity in that it has increased consistently and regularly since that time without reaching the point of saturation where supply so exceeds demand that a leveling off in the growth curve becomes economically necessary, as has been the case with other crops—and even with citrus in some areas.

In 1938, when processing of oranges was of minor importance, approximately 29 million boxes of fruit were produced, of which less than 2 million boxes were processed. By 1954, Florida orange production had increased to over 90 million boxes, of which over 48 million boxes went into frozen concentrate and 12 million into single-strength processed juice, leaving only approximately 30 million boxes to be utilized in fresh-fruit channels. In the last full citrus season, over 65 million gallons of concentrate were produced. These facts demonstrate clearly that increased outlets have resulted in greater consumption of the products to the benefit of the health of all of the Nation.

The tremendous increase in orange production in Florida has been stimulated by the increase in demand for the fruit resulting from the development of better canning processes in the 1930's and the development of frozen concentrates in 1944 by a research team of 4 Florida Citrus Commission scientists and 3 USDA scientists at the Winter Haven Laboratory, for which it was awarded the United States Department of Agriculture's Distinguished Service Award, the Department's highest honor. Based on information obtained on new plantings, it is forecast that 122 million boxes of oranges will be produced by 1961, which is an increase of 33⅓ percent within the next 7 years.

Not only has the production of oranges increased greatly during the period 1931–54, approximately 9-fold, but also the production of grapefruit, tangerines, and limes has been greatly increased. At the present time, the grapefruit production is causing the greatest concern to

citrus growers because of the fact that in recent years the production of this fruit has exceeded the demand for it. During the last season, fresh-market sales and processing are estimated to have taken all but about 3.5 percent of the record crop; but the season-average price for processing dropped to the lowest on record and was far below the level for profitable return from that outlet.

A factor in the situation is a declining trend in consumption of grapefruit, particularly in the processed form, due, apparently, to a consumer preference for orange concentrate. This is reflected by a drop in United States per capita consumption of grapefruit in all forms from about 28 pounds, fresh-fruit equivalent, in 1946 to about 16 pounds in 1952. With the prospect of further increases in Florida production, and revived Texas production imminent, the outlook for the Florida grapefruit industry offers grave problems.

Not only has the fact that utilization in the processed field of grapefruit lagged behind production resulted in economic abandonment of over 8 million boxes of grapefruit since 1940—1.5 to 2.5 million boxes during the 1953–54 season—but it also resulted in a net loss to Florida growers of $7.8 million, on the 20 million boxes actually utilized for processing in the 1953–54 season alone. Of course, this loss to Florida growers also deprives the Federal Government of large tax revenues.

A similar situation is to be found with regard to tangerine products as more than one-half million boxes were left on the trees in the 1953–54 season, and since 1944 the aggregate total has exceeded 2 million boxes. It is my understanding that the 1953–54 season brought the lowest average price ever received by tangerine growers, which was minus 13 cents per box for the 1,092,000 boxes processed. The development of frozen concentrate ades offers a hope for some relief in the production of tangerines, as well as in the lime crop.

Much research must be done on the byproducts of processed citrus fruits as the waste materials have presented major problems of economical disposal. It is my understanding that in some of the larger concentrate plants, wet pulp accumulates at the rate of 100,000 pounds each operating hour, and in some plants liquid waste approximates 200 gallons per minute.

Experimentation in the past has resulted in methods for processing citrus pulp into satisfactory cattle feed; the liquid pressed from the pulp is concentrated into citrus molasses which is also an excellent cattle feed. So far as quality is concerned, these cattle feeds compare very favorably with other carbohydrate concentrates, but the great increase in the supply of these products in recent years has depressed the price greatly.

Much is still to be done concerning the problem of utilizing or disposing of liquid wastes from processing plants. Under the facts known today, the cost of a disposal plant for these liquids is prohibitive and because of the rapidly increasing industry and the great increase in population in the State, this problem will command much time and energy for research in the coming months and years. Working facilities for research and education on byproducts of oils, pectins, carbohydrates, etc., are absolutely necessary for improvement in their development and use.

Recognition by the citrus industry of the need for expanded utilization research is reflected in recent recommendations of the USDA

Citrus Fruit Advisory Committee, one of a group of commodity committees established under the Research and Marketing Act of 1946 to assist in effectuating specific research and service programs of the Department. Among the committee's recommendations was:

> Indications are that we have substantially exhausted our reservoir that we must not become bankrupt in basic information if we are to continue to have the foundation on which to build effective applied research that will meet the problem of the future. Therefore, the committee views the present situation with extreme concern, and urgently recommends that greater emphasis be given to fundamental research in a continuously expanded agricultural research program.

In 1931–32, the returns to growers of Florida citrus was approximately $25 million, and it is estimated that such returns during the 1953–54 season will be approximately $135 million. The total investment in citrus groves, packing and process plants, and allied equipment in the Florida citrus industry is estimated at about $1 billion annually, and the total dollar value at the f. o. b. level of Florida citrus for 1953–54 will probably exceed $300 million. In addition to being the largest producer of citrus fruits in the United States—about two-thirds of the total—Florida is in the unique position of being able to produce a wider variety of tropical and subtropical fruits than any other section on the mainland.

The Federal Treasury receives from the citrus industry in the neighborhood of $50 million annually in the form of income taxes and other levies, and it is estimated that this industry probably accounts for 500 to 750 million dollars of our national economy when considered with all integrated services and activities in connection therewith. It also pays additional millions of dollars in county and State taxes and employs more than 60,000 persons, either part or full time, in producing, harvesting, packing, processing, or transporting citrus fruits and production.

I am proud to say that the citrus industry has always done everything possible to help itself, and will continue to do so, through private industry and cooperatives; the citrus experiment station, which is financed by State funds; and the citrus commission, which has expended during the last four seasons, 1954–55 budget estimated, in excess of a half million dollars for research alone. It is one of the agricultural industries which is not burdening the Government by depending on direct subsidies or price supports. It is a successful industry, but can remain so only by utilizing new developments as it increases in size, and such developments must come from an ever-increasing research program.

The vegetable crops of Florida and the South as a whole may be divided into the following two groups:

1. Crops which are also widely grown in other regions of the United States, but for which the South offers advantages in production, particularly for the fresh market, during the off season in more northerly regions, such as green lima beans, snap beans, beets, cabbage, carrots, cauliflower, celery, cucumbers, lettuce, melons, onions, white potatoes, spinach, tomatoes, and the like.

2. Crops which are restricted primarily to the warmer parts of the country, or even require a subtropical climate, and which are hence more exclusively southern or are confined entirely to the warm-

est sections, such as southern peas, okra, eggplant, peppers, sweet-potatoes, and many native and introduced temperate and subtropical plants of possible food, feed, and chemurgic value, about which we know very little.

Florida is sometimes called the winter breadbasket of the Nation, and not without reason. Florida is the Nation's leading State in the production of late fall, winter, and early spring vegetables. Because of Florida's geographical location and her nearness to large consuming centers, the vegetable producers of Florida are responsible for maintaining for the Nation an adequate supply of fresh vegetables in the late fall, winter, and early spring. Some of the leading crops during the 1952–53 season were as follows:

| Crop | Acres harvested | Harvested value | Crop | Acres harvested | Harvested value |
|---|---|---|---|---|---|
| | | *Million dollars* | | | *Million dollars* |
| 1. Tomatoes | 57,400 | 35.0 | 8. Peppers | 12,800 | 9.5 |
| 2. Snap beans | 63,300 | 20.0 | 9. Cabbage | 19,900 | 3.9 |
| 3. Irish potatoes | 40,700 | 15.7 | 10. Squash | 10,100 | 2.4 |
| 4. Celery | 10,000 | 12.8 | 11. Escarole | 4,000 | 2.3 |
| 5. Watermelons | 93,000 | 12.6 | 12. Strawberries | 3,900 | 2.2 |
| 6. Sweet corn | 30,400 | 10.5 | 13. Eggplant | 2,800 | 1.6 |
| 7. Cucumbers | 18,500 | 10.0 | | | |

The necessity for such off-season operations results in high production costs from increased applications of fertilizers, insecticides, and fungicides, and, in addition, risk factors are greater and labor cost higher.

During the full 1953 season, Florida and California accounted for 42 percent of the total production of fresh vegetables in the major commercial-vegetable-producing States. California produced 29 percent of this total and Florida produced 13 percent. In vegetable tonnage, Florida is second in the Nation, and by having produced 1,309,200 tons of vegetables in 1953, valued at $116,026,000.

The predominate utilization of Florida vegetables is in fresh form, with only minor use of frozen or canned products. Most of the culls and vegetable waste are dumped, and usable quantities of vegetables remaining in the fields are frequently abandoned as a total economic loss. During the 1953–54 season, the following amounts of vegetables are estimated to have been abandoned in Florida because of poor market prices:

| | | |
|---|---|---|
| Snap beans | bushels | 377,000 |
| Cabbage | tons | 30,800 |
| Celery | crates | 252,000 |
| Cucumbers | bushels | 296,000 |
| Escarole and endive | do | 123,000 |
| Squash | do | 69,000 |
| Tomatoes | do | 112,000 |
| Total, vegetables | units | 1,259,800 |
| Watermelons | do | 3,252,000 |
| Grand total | do | 4,511,800 |

Obviously, this vast amount of food could have been used to good advantage in many sections of our country, and in the world, if it could have been economically processed and distributed.

Additional uses for vegetables must be developed through research if the Florida farmers are to continue on a level of production which will keep them and all component parts of the production and distribution systems in efficient and economic balance for the welfare of the State and Nation. Research is badly needed on methods of converting seasonal surpluses of perishable vegetables into stable, palatable, easy-to-use forms that are preserved and made available throughout the year, similar to frozen concentrated fruit juices.

Research must be greatly expanded to achieve a greater utilization of Florida vegetables to match the progress and development of production research and the internal growth of the vegetable industry within the State of Florida. The lack of such research in the past can be attributed to the lack of research facilities within the producing areas of Florida as the necessary research to achieve greater utilization can be best accomplished through facilities in Florida and operated by personnel familiar with the production practices, problems, crops, and conditions associated with the Florida vegetable industry.

Mr. Chairman, having discussed the tremendous need for continuing research in the fruit and vegetable field in Florida, let me turn briefly to the existing facilities for this purpose now operating in the State of Florida.

The Citrus Products Station was established in 1931 in response to urgent need for research and development in the fruit and vegetable industry. The original building was financed by local popular subscription and in 1937 the land and building were deeded to the Government. In 1940 a Federal appropriation was made and it made possible the enlarging of the building to about twice its former size, providing space for pilot-plant as well as expanded laboratory scale investigations and providing cold-storage facilities.

Originally the regular Government professional staff consisted of only a chemist in charge, one other chemist, a part-time stenographer, and a part-time laborer.

In 1935 through fiscal year 1944 the regular Government personnel staff was increased by the addition of 1 chemist. From 1942 to 1947 from 3 to 5 research fellows assigned by the Florida Citrus Commission were associated with the Government staff.

In 1944 still another Government chemist and a bacteriologist were added to the staff. A scientific aide was added in 1946 and another in 1948. The regular staff was increased to 6 professional scientists in 1949–50 to 8 in 1950–51, and has remained at a level of 7 to 8 to date. The regular present Government personnel consists of a chemist in charge, 5 other chemists, a chemical engineer, a bacteriologist, 2 scientific aides, a general mechanic, a clerk-stenographer, and an unskilled laborer.

Particular attention was given to projects concerning such things as citrus concentrates; problems in substitution of glass for tinplate for canning citrus products; investigations of the off-flavor problem in processed citrus juices; biological problems; production of powdered orange juice, processed tangerine and lime products; protection of pectin concentrates; and disposal and utilization of cannery wastes. Experimentation in these fields and many, many others must be increased if the industry is to survive the tremendous increase in production anticipated in the coming years.

Research in this laboratory has been of vital importance to the fruit and vegetable industry of Florida, and undoubtedly the most important result of their experimentation was the development of the present frozen concentrator process which saved the fruit industry from possible collapse. The State of Florida owns the patents on this process but makes it available to all citrus processors, thereby contributing greatly to the economic stability of the entire industry and to the health of additional millions of people in this country and abroad.

Originally, when the citrus products station was the only facility in the Florida area for research in citrus utilization, major emphasis was on the applied phases of research. Subsequently, as the citrus processing industry developed its own facilities for coping with problems of process control, and eventually for applied research on some of the more pressing practical aspects; and as in the past few years the Florida Experiment Station has provided facilities for research on certain aspects of processing and utilization, the program at Winter Haven has placed more and more emphasis on the development of fundamental information. In this field, a Federal agency has a peculiar advantage in being able to bring to bear on its investigation the benefit of findings and developments in other Federal laboratories in Texas and California. Its work is coordinated with and complements the work of the industrial and State research facilities.

As long ago as 1949 the need for new and enlarged facilities at Winter Haven was recognized, and in a Committee Report of the Citrus Research and Marketing Advisory Committee, dated January 15, 1950, the following recommendation was made:

**After inspecting the laboratories at Albany and Pasadena and in view of the expanded citrus acreage and importance of Florida in the processing field and the many problems facing the processing industry, it was the unanimous recommendation of the committee that new and enlarged facilities are needed and should be provided for the work of the United States Citrus Products Laboratory at Winter Haven, Fla.**

It is quite obvious that the tremendous growth in the fruit and vegetable industries in the State of Florida over the past few years has greatly aggravated the situation which this committee found existing in 1949, but I shall leave the detailed discussion of the totally inadequate facilities which now comprise the laboratory at Winter Haven to others who will appear before you today who are more familiar with these facts than I.

Most of the processing plants support research laboratories with technical personnel varying in number from 1 to 15 and together spend an estimated $1 million per year for research. However, work in these laboratories depends on the United States Citrus Products Station for fundamental information as a basis for applied research.

The industry has unquestionably outgrown the research facilities now located at Winter Haven, and new and additional facilities are badly needed for the maintenance and continued growth of this great industry. Certainly the appropriations we request today would constitute a good business investment for the United States since this proposed laboratory would ultimately result in a return of many times the cost of building it in the form of revenues from various tax sources.

Mr. Chairman, I strongly urge and recommend that this subcommittee include in the Department of Agriculture appropriations for

fiscal year 156 the requested funds for the construction of the Fruit and Vegetable Products Laboratory at Winter Haven, Fla.

Mr. Chairman I appreciate very much the chance to be heard before this committee and I want to say that we appreciate the fact that members of this committee have already been in Florida checking on our needs in this important particular and I cannot too strongly commend you for that.

Mr. Chairman, I was born in an orange grove and we still have in my family the old grove that our father planted in the eighties, belonging now to my brother, who is here, and my sister and myself. So I have learned before something about the citrus industry, business, by reason of activities when I was a boy with a hoe, and a prong saw and other activities throughout the year.

Winter Haven which is in our county, is at the very heart of the Citrus Belt. I have had frequent opportunities to observe this laboratory, very useful as it has been. I realize completely its utter inability to render the services required, at this time. The industry has grown so magically that I almost hesitate to give the figures. From the beginning they are so modest that following the years of the great freeze in the nineties where we had only a million or 2 million boxes, our total crop last year was nearly 130 million boxes and we produce nearly two-thirds of the citrus fruits of the Nation. Other areas produce splendid fruit and we would expect to serve them as well as ours through this institution. After all, Florida is the hub of the citrus industry. By way of illustrating the size of the citrus industry, the Florida citrus production rate in our State alone is vastly more than the total of all deciduous fruit produced in the nations, elsewhere, which means that we have tremendous opportunity, as well as a tremendous stake involved, both for ourselves and the Nation, in this, our greatest of all agricultural industries.

Mr. Chairman, the industry used to deal almost exclusively in fresh fruits. Now by far the larger part of our production of citrus is process, in one form or another, either as a direct-process product as in the case of canned fruit, or in the case of the cattle food and the other byproducts which you will hear explained.

The size of the industry is such that of obvious value the last year was about $300 million and the value to the producer after expenses were paid is about $135 million.

Mr. Chairman, this industry has grown greatly not only by the help of the Federal Government but we have done a great deal for ourselves. We have a levy tax per box on our own products. We have carried on very heavy research activities. We spend a good deal more State money at the citrus experimental station 5 miles from this location, than all of the Federal activities in the field of research in our State. We continue to do that. But these products, many of them designed—are designed for use in interstate commerce and many of them if developed by us are just as available in California or Texas or in Arizona, and are of the nature which we think require the creation of a much more adequate Federal facility than exists at this time. Even if we were talking only about citrus.

Then there is added, however, to citrus, the vegetable industry—and we are now the second State in the Nation in the value of our vegetable production, and when it is realized that there is literally no

allowance now for byproducts, processing in that field in our State, and when this is the logical site for that, as well as for the subtropical fruits and incidental crops such as strawberries and watermelons—incidentally we are the largest producer of watermelons in the Nation. I suspect many of you did not know that that was the case. This is the spot where that work by all means should be done. We strongly request that this committee set in motion the machinery by which this station will be developed to a point of adequacy.

I mentioned that it had already been rendered good services. It was here that some personnel of the Federal Department along with the majority of personnel supplied by that money, developed the latest concentrate process. Those patents belong to the State of Florida, and were assigned by the State to the United States Department of Agriculture as public-service patents. I think that illustrates rather clearly that we don't propose to operate and don't ask for such an institution solely for or to serve ourselves. We think that an industry which pays more than $50 million a year in income taxes right now—and that is the citrus industry alone—is certainly entitled to have a substantial stake of this kind to do this necessary work.

In the field of vegetables the value of our production in the field last year was $116 million and I say second only to our good friend California, which produced last year 29 percent of the total vegetables in the Nation, to our 13 percent, and we were second to them—well behind them as you see.

Now Mr. Chairman, there are many things I would like to say about this, but there are people here from the industry who are much better able to state them. They will tell you of the complete inadequacy of this plant now existing, there, and of the very great need for this expansion. All I would like to say is that I completely subscribe to their feelings and believe it is in the interest of not only the industries there and the people there, but decidedly is a fine investment from the standpoint of the Nation's interest to create and sustain an institution of this kind, there, to supplement the very heavy activities already underway by the State of Florida.

Mr. Chairman, I have a statement of Senator Smathers who, as a member of the Finance Committee, is detained while they are working on the reciprocal trade agreement bill this afternoon.

Mr. MARSHALL. We will be glad to have his statement placed in the record at this point.

Senator HOLLAND. Thank you very much for your kindness and courtesy and I am simply stating that you have given us this and we will make these industries down there even more valuable to the Nation than they are now.

Mr. MARSHALL. We are always pleased to have the distinguished Senator appear before our committee.

Senator HOLLAND. Thank you, sir.

The statement of the Honorable George A. Smathers, United States Senator from Florida, follows:

Mr. Chairman, I am very appreciative of the opportunity afforded me by you and the members of your committee to submit this statement and join with the very able and distinguished senior Senator from Florida, Senator Holland, and other members of the Florida delegation, in urging that adequate funds, estimated to be approximately $810,000, be appropriated for the construction and equipment of a new research utilization laboratory and pilot-plant facilities at Winter Haven.

The request for adequate funds for this project is predicated upon the need for expansion of fundamental and applied research on citrus, other fruits, and vegetables. When compared to the potential results which can be achieved, based upon the tremendous strides made in the past 25 years, the funds requested are very small indeed. This is a project, the benefits of which will not only accrue to Florida alone; it is one which will also make a substantial contribution to the Nation's economy and defense. It is my conviction that the appropriation of adequate funds for this purpose will represent a sound investment in the future of these United States.

As this subcommittee knows, Florida today produces more than 66⅔ percent of all the citrus fruit grown in the United States. The State's processing industry has played an extremely important role in making possible a profitable market which, of course, is essential in order to sustain increased production. This industry started approximately 25 years ago, at which time it was almost exclusively confined to the canning of grapefruit sections. Today it provides employment for more than 60,000 persons in the State and in addition to paying millions of dollars annually in county and State taxes, pays over $50 million annually in Federal taxes. The phenomenal growth of this industry could not possibly have been attained without the aid of research. A major contributing factor to its growth was the development of the research product known as frozen orange concentrate resulting from the combined cooperative research efforts of scientists from the Florida Citrus Commission and the United States Department of Agriculture.

Prior to the development of this product Florida was seriously concerned about the economical disposition or its surplus orange crop. As a result of its development the problem of surplus was solved and the industry is now consuming an ever-increasing quantity of the orange crop. This is demonstrated by the fact that frozen orange concentrate absorbed approximately 52 percent of the 1953–54 season's crop.

Though much has been done by way of research for the orange crop, much more remains to be done if the consistent high quality, stability, and consumer acceptability of both single strength and frozen concentrate are to be maintained. Many of the research problems involved are traceable to fundamental chemistry and biochemistry of the citrus fruit.

The picture with respect to grapefruit is not so bright for the reason that grapefruit concentrate is less favorably received by the consumer. Though a considerable quantity was utilized for processed products during the 1953–54 season, Florida growers suffered a net loss of approximately $8 million. These losses, of course, deprive the Federal Government of much needed tax revenue. Fundamental and applied research with this product as well as with tangerines will undoubtedly bring forth the same desired results as have been achieved with the orange crop.

The dollar value of Florida citrus for the 1953–54 season has been estimated to be in excess of $300 million, of which $136 million represents a return to the growers. Of this latter amount $72 million was derived from sales to the processing industry. Adequate and improved facilities for research can further develop this industry and at the same time make a substantial contribution to the Nation's economy.

In addition to its reputation as the Nation's No. 1 citrus-producing State, Florida is also known as the Nation's winter vegetable basket. It ranks first among the States in the production for the fresh market of snapbeans, sweet corn, cucumbers, tomatoes, and watermelons. It ranks second in the production of green lima beans, cabbage and celery. Other crops grown are okra, eggplant, peppers, and sweetpotatoes. An extensive and comprehensive research program is vitally needed to further develop these crops, both for the fresh market and processing industry.

The facilities of the citrus products station are inadequate to cope with the tremendous amount of research which still remains to be done on citrus, other fruits and vegetables. The present laboratory and pilot-plant space has expanded little beyond its original working space intended for 3 to 5 technical men. I am advised that as many as 17 individuals are crowded into these small quarters. These conditions, as this committee knows, are not conducive to maximum efficiency, for they impair the effective functioning of a proper research program. A new laboratory and pilot plant is badly needed, and I am sure that if adequate funds are granted for this purpose the results that can be achieved will be of inestimable value to the economy and well-being of the Nation.

The Florida Canners Association, Florida Citrus Mutual, Florida Citrus Processors Association, Florida Citrus Commission, Florida Agricultural Council, and the Florida Fruit and Vegetable Association fully recognize the need and strongly urge the continuance and expansion of utilization research under the broad perspective of the United States Department of Agriculture. These organizations are fully conscious of the fact that the present facilities have become overcrowded.

I am in accord with the views of these various organizations and since the committee will be furnished with more details with respect to the need for this project, I do not consider it necessary for me to go into the matter further at this time, other than to point out that the Federal Government's responsibility lies predominantly in the fundamental research field where it can maintain a regional and national perspective and utilize the benefit of findings and developments of other United States Department of Agriculture laboratories.

I sincerely hope that your subcommittee will recommend adequate appropriations for the construction of a new laboratory and pilot-plant facility in Winter Haven to further fundamental and applied research on citrus, other fruits and vegetables.

Mr. HERLONG. Mr. Chairman, we would like at this time to present several witnesses who are familiar with and work in various phases of the Florida citrus industry.

The first is Mr. C. C. Rathbun, secretary and manager of the Florida Canners Association.

Mr. MARSHALL. You may proceed in any way you wish.

Mr. RATHBUN. My name is C. C. Rathbun, executive secretary of the Florida Canners Association, Tampa, Fla. The association has in its membership all of the citrus canners and concentrators in the State of Florida.

I have prepared here a brief statement regarding the growth of the citrus canning industry of Florida.

The first canned citrus product was grapefruit sections which were packed commercially in 1921–22 with a production of 10,000 cases. The production of this commodity now averages approximately 5 million cases per season. Florida production of canned grapefruit juice started in 1928–29. The season of 1929–30 saw the first commercial pack of canned orange juice. Canned blended orange and grapefruit juice came into the picture during the period of Government surplus buying in 1935–36. The combined initial pack of these commodities was 1,163,000 gallons as compared to the season of 1953–54 with a combined production of 131,873,000 gallons.

From a meager start in 1946 of 904,000 gallons of reconstituted frozen orange concentrate, the production has increased to a record pack last season of 262,124,000 gallons. In addition to this there were packed 17,838,000 gallons on a reconstituted basis of other concentrated citrus products. The combined total of all Florida citrus juices produced during the season of 1953–54 was 415 million gallons. With this volume it exceeds combined production of tomato juice, pineapple juice, and apple juice.

The Florida canned citrus industry plays a major part in supplying the consumers of the United States, Canada, United Kingdom, and many countries in continental Europe. During the war years from 1942 through 1945 the Armed Forces of the United States were supplied with 48,165,000 gallons of all types of citrus juices. To further emphasize the growth of this industry we have prepared a chart covering 5-year periods beginning with the season of 1934–35, showing the production of all citrus juices as follows: Season of 1934–35,

8,365,000 gallons; season of 1938–39, 26,400,000 gallons; season of 1943–44, 106,500,000 gallons; season of 1948–49, 173 million gallons; and season of 1953–54, 415 million gallons.

From these data you will note that the production has more than doubled in each 5-year period except in one instance and is now 50 times greater than it was in 1934–35.

Because of the huge increase in the volume of canned citrus, the processing industry in the State of Florida has now become the growers' largest customer. There were more oranges canned in the season of 1953–54 than there were grown in the State in any one season prior to 1950–51. During the season of 1953–54, the canning and concentrating industry used 62.5 million boxes of oranges representing 68 percent of the orange production and 20 million boxes of grapefruit representing 47 percent of the grapefruit crop. The processors paid to the growers last year the sum of $108,301,000. We have prepared a series of charts showing the following:

I will not go into those charts, because they are more or less self-explanatory and you can look at them. I would like to offer them for the record.

I would like to make one further statement regarding the by-products. If you will refer to the section following the charts under "Byproducts of Citrus," please. Stock feed: The increasing amount of citrus fruits being canned and concentrated has led to a corresponding increase in the production of stock feed. At the present time there are 22 plants engaged in the manufacture of this material, and the annual production is 287,000 tons.

This product is an excellent conditioning feed for both beef and dairy cattle.

Citrus molasses: The press liquor resulting from the manufacture of stock feed is made into a product known as citrus molasses. Approximately 52,000 tons are produced annually.

Also accompanying this statement are the annual production for a number of years and the distribution of this product to the various States of the United States and the volumes.

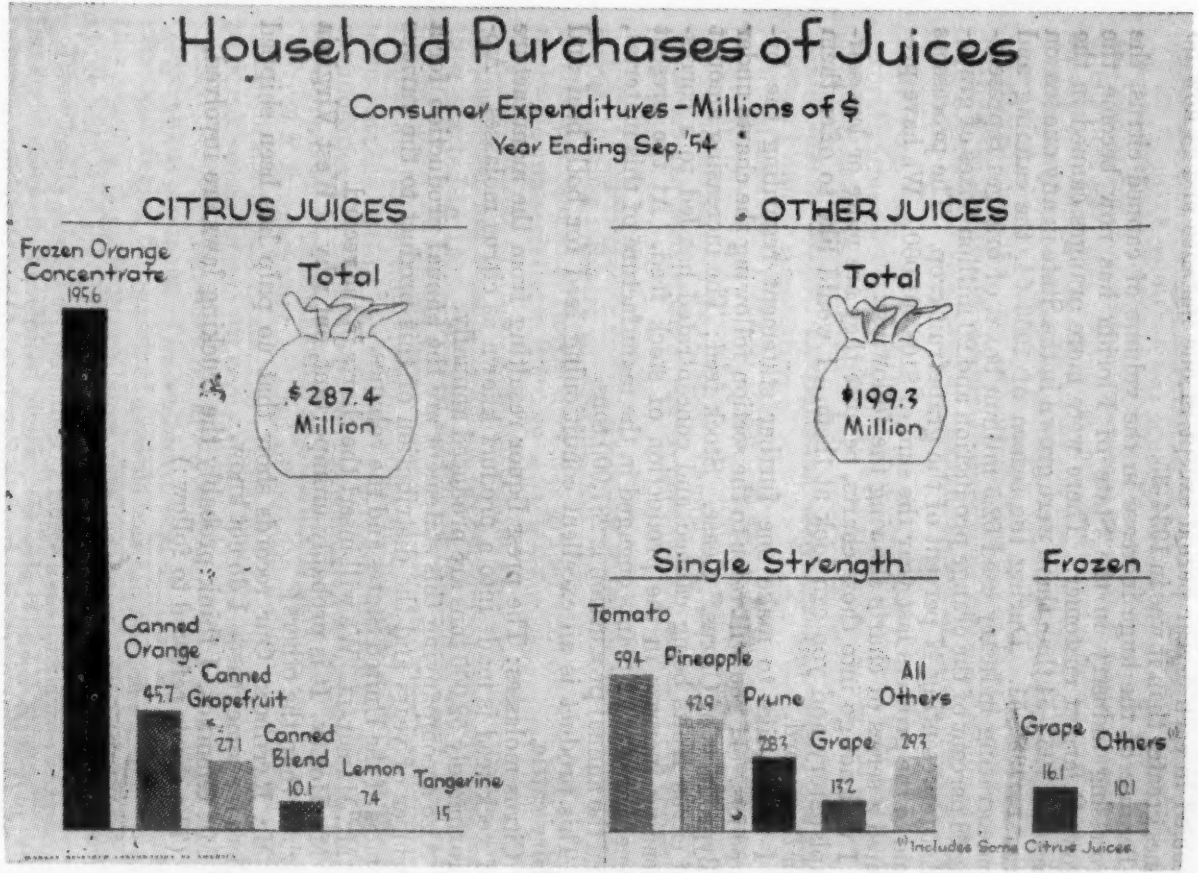
Mr. MARSHALL. We will insert the charts in the record.

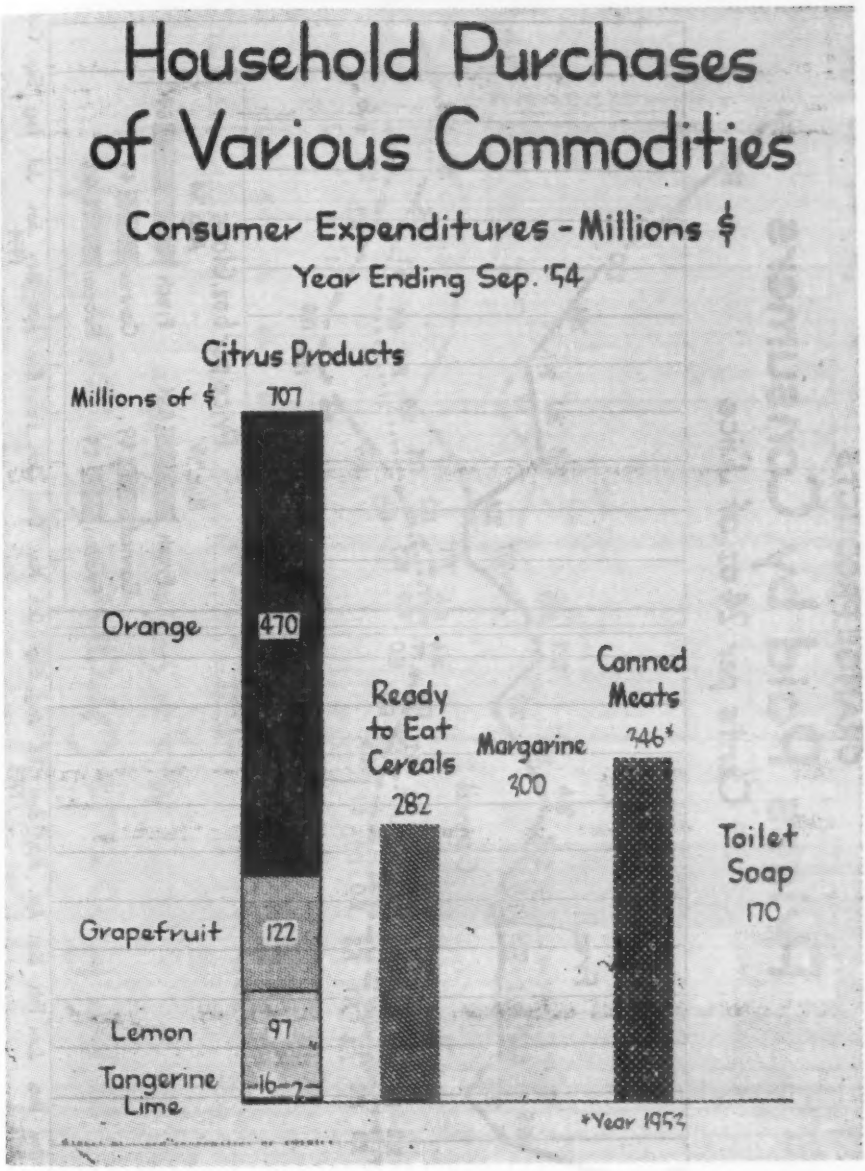
Mr. HORAN. It is probably unimportant, but why is West Virginia lighter than the others?

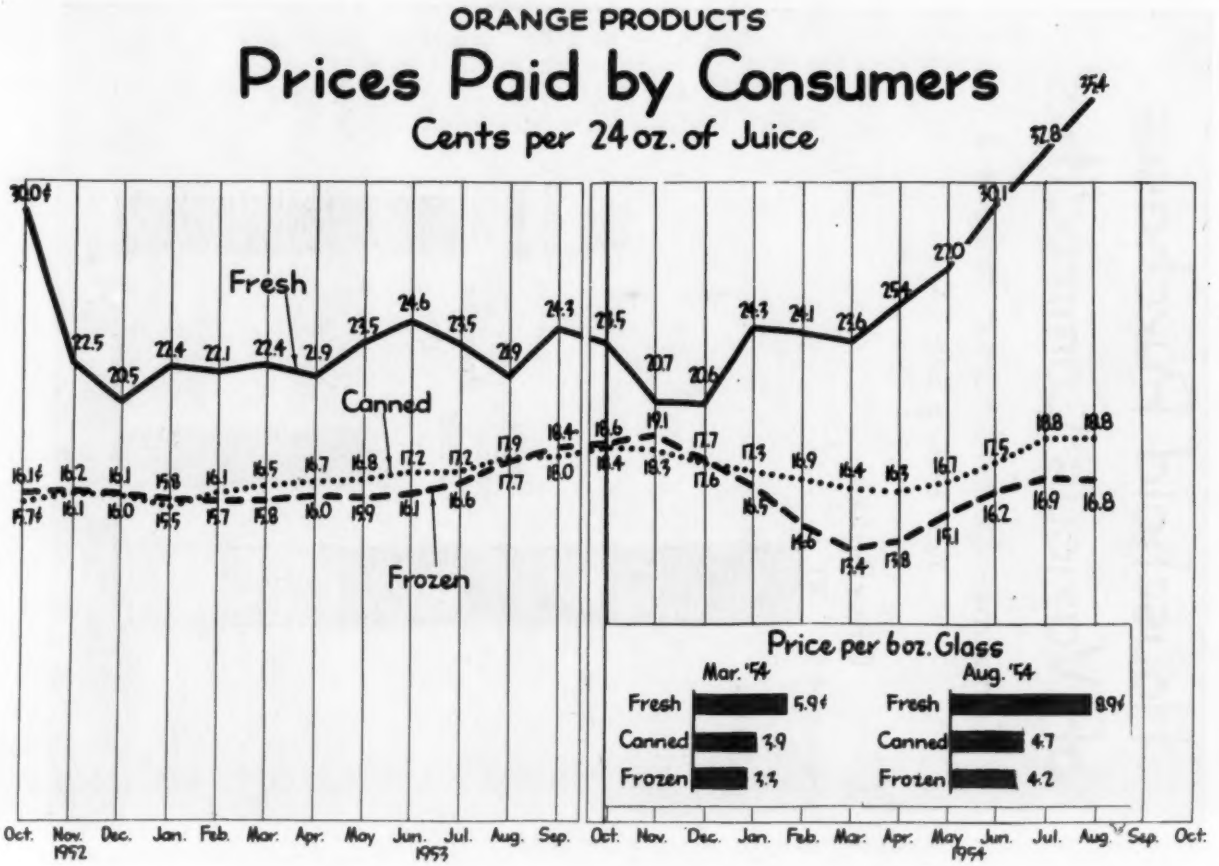
Mr. RATHBUN. Our records show that no pulp has been shipped there for some reason I do not know.

Mr. GIDDINGS. I think probably the trucking laws are involved.

(The charts referred to follow:)

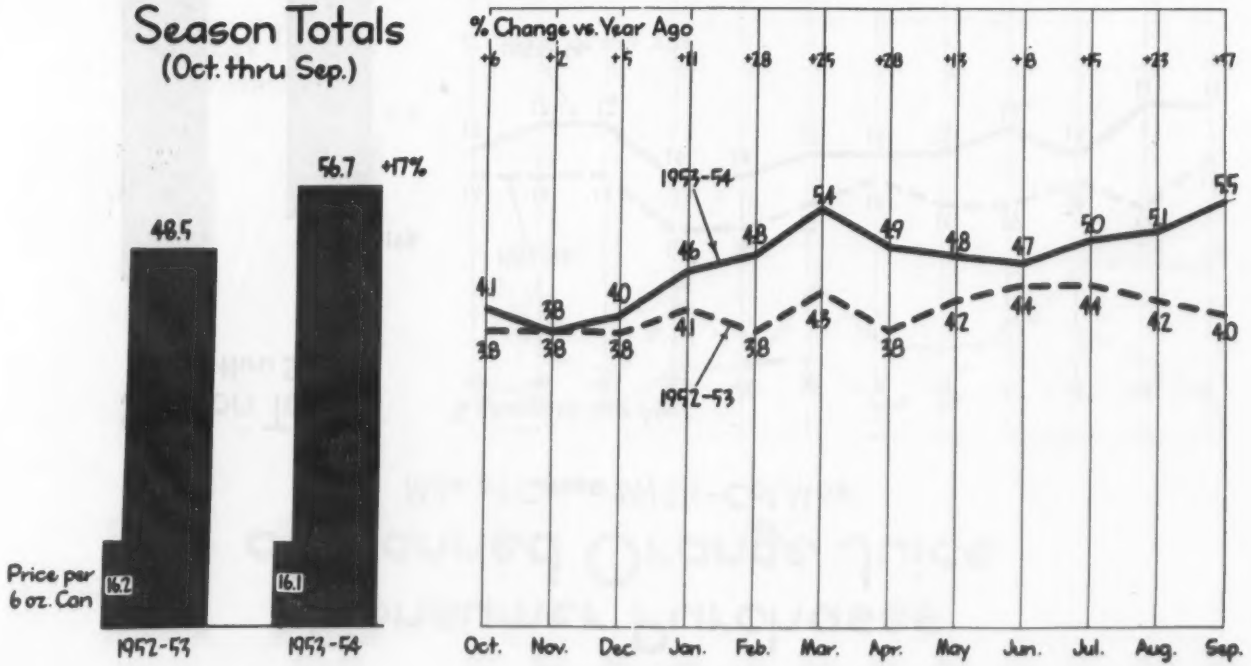

Household Purchases of Juices
Consumer Expenditures - Millions of $
Year Ending Sep. '54
CITRUS JUICES
Frozen Orange Concentrate
195.6
Total
$287.4 Million
Canned Orange
45.7
Canned Grapefruit
27.1
Canned Blend
10.1
Lemon
7.4
Tangerine
1.5
OTHER JUICES
Total
$199.3 Million
Single Strength
Frozen
Tomato
59.4
Pineapple
42.9
Prune
28.3
Grape
13.2
All Others
29.3
Grape
16.1
Others (1)
10.1
(1) Includes Some Citrus Juices


Household Purchases of Various Commodities
Consumer Expenditures - Millions $
Year Ending Sep. '54
Citrus Products
Millions of $
707
Orange
470
Grapefruit
122
Lemon
97
Tangerine
16
Lime
7
Ready to Eat Cereals
282
Margarine
300
Canned Meats
346*
Toilet Soap
170
*Year 1953


ORANGE PRODUCTS
Prices Paid by Consumers
Cents per 24 oz. of Juice
Fresh
Canned
Frozen
30.0¢
22.5
20.5
22.4
22.1
22.4
21.9
23.5
24.6
23.5
21.9
24.3
23.5
20.7
20.6
24.3
24.1
23.6
25.4
27.0
30.1
32.8
37.4
16.1¢
16.2
16.1
15.8
16.1
16.5
16.7
16.8
17.2
17.2
17.9
18.4
16.6
19.1
17.7
17.3
16.9
16.4
16.5
16.7
17.5
18.8
18.8
15.7¢
16.1
16.0
15.5
15.7
15.8
16.0
15.9
16.1
16.6
17.7
18.0
18.4
18.3
17.6
16.9
14.6
13.4
13.8
15.1
16.2
16.9
16.8
Price per 6 oz. Glass
Mar. '54
Fresh 5.9¢
Canned 3.9
Frozen 3.3
Aug. '54
Fresh 8.9¢
Canned 4.7
Frozen 4.2
Oct. Nov. Dec. Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep. Oct.
1952
1953
1954

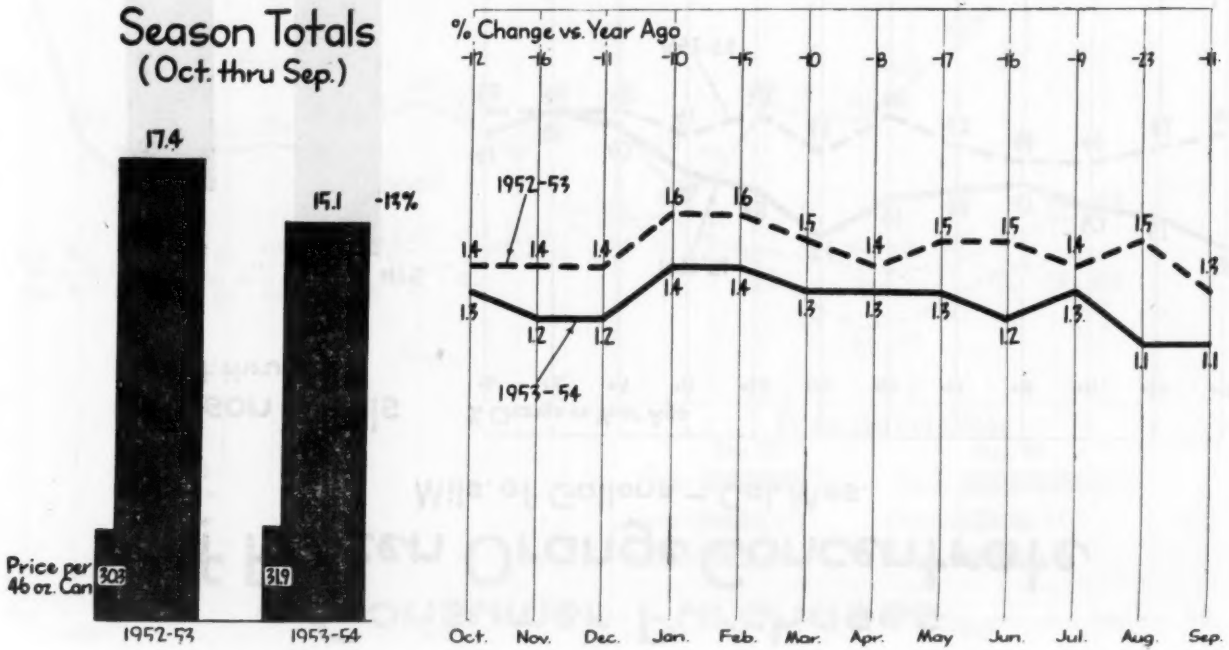
# Consumer Purchases of Frozen Orange Concentrate

Mils. of Gallons – Cal. Mos.



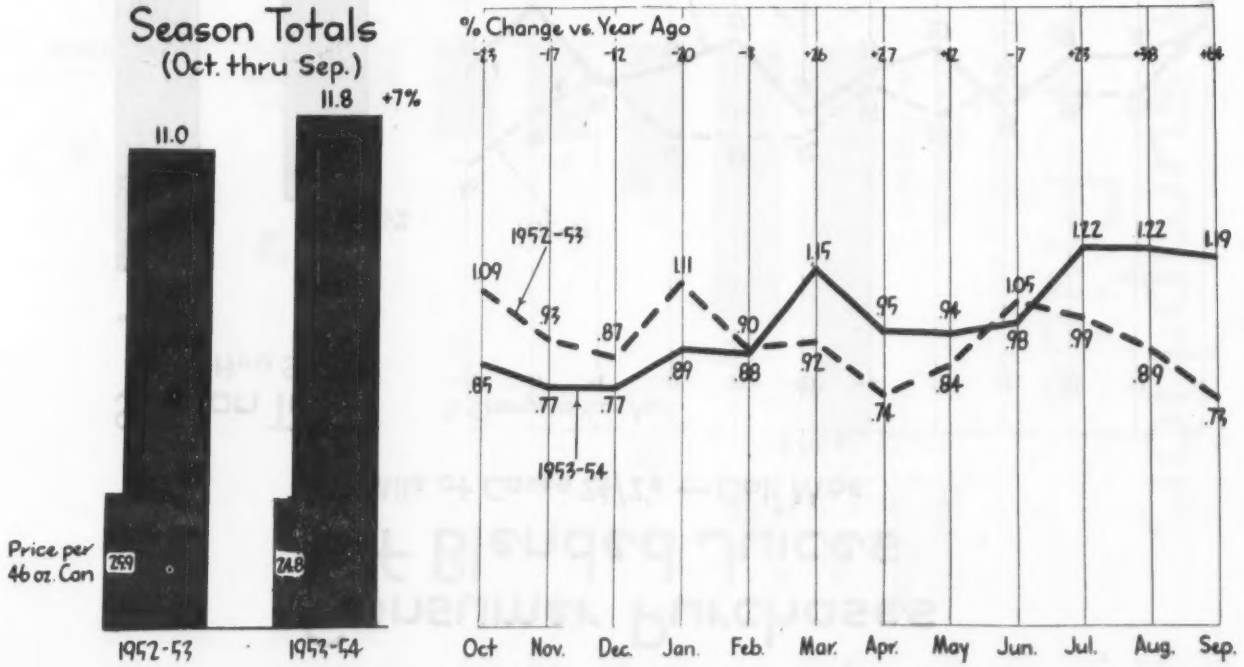
# Consumer Purchases of Canned Orange Juice

Mils. of Cases 24/2's - Cal. Mos.



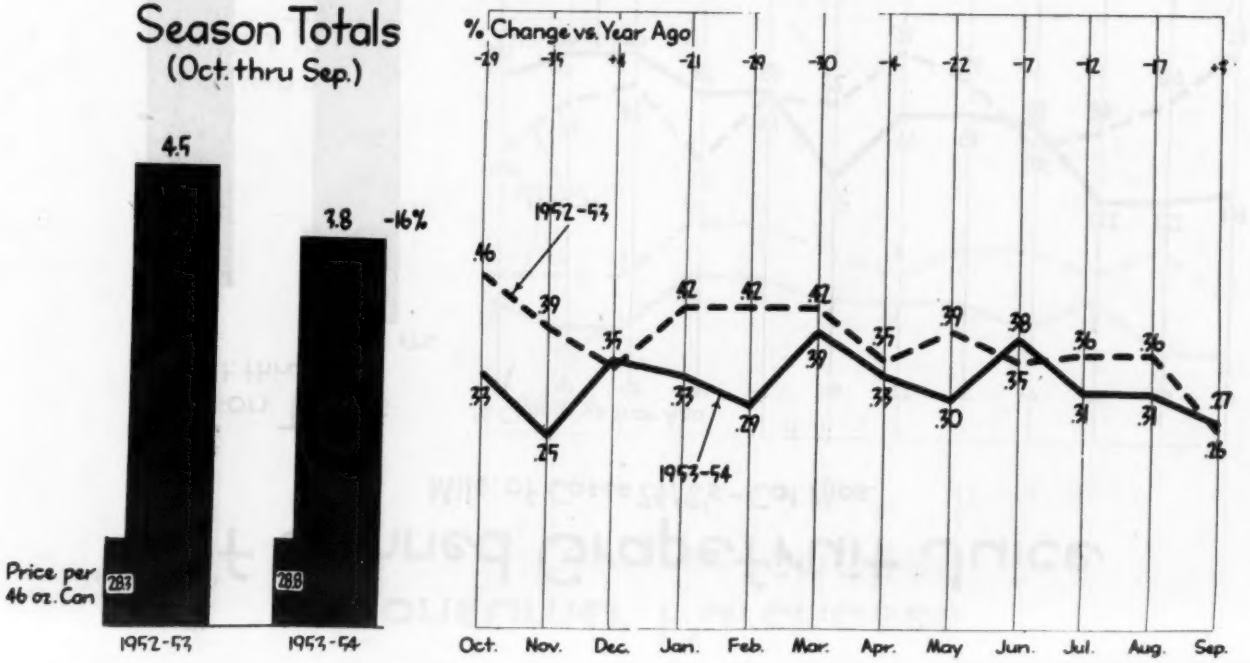
# Consumer Purchases of Canned Grapefruit Juice

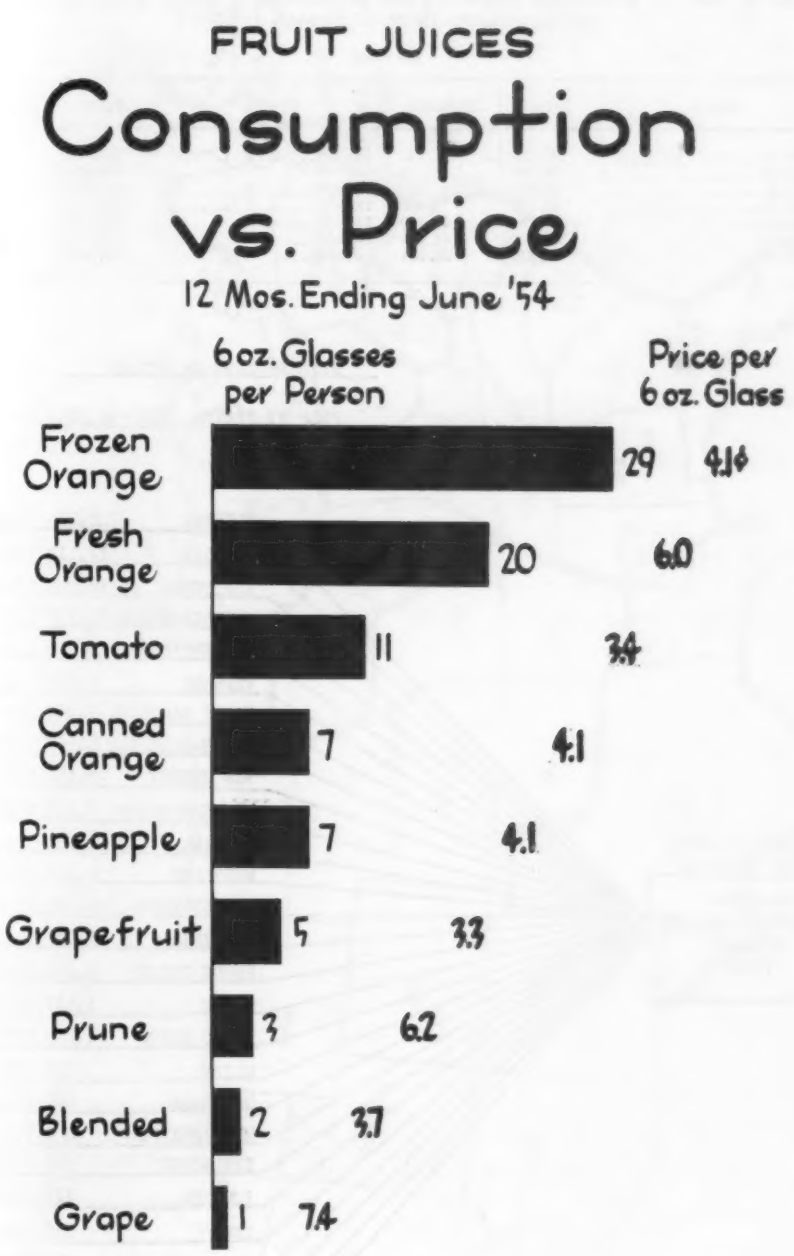
Mils. of Cases 24/2's - Cal. Mos.



# Consumer Purchases of Blended Juices

Mils. of Cases 24/2's — Cal. Mos.



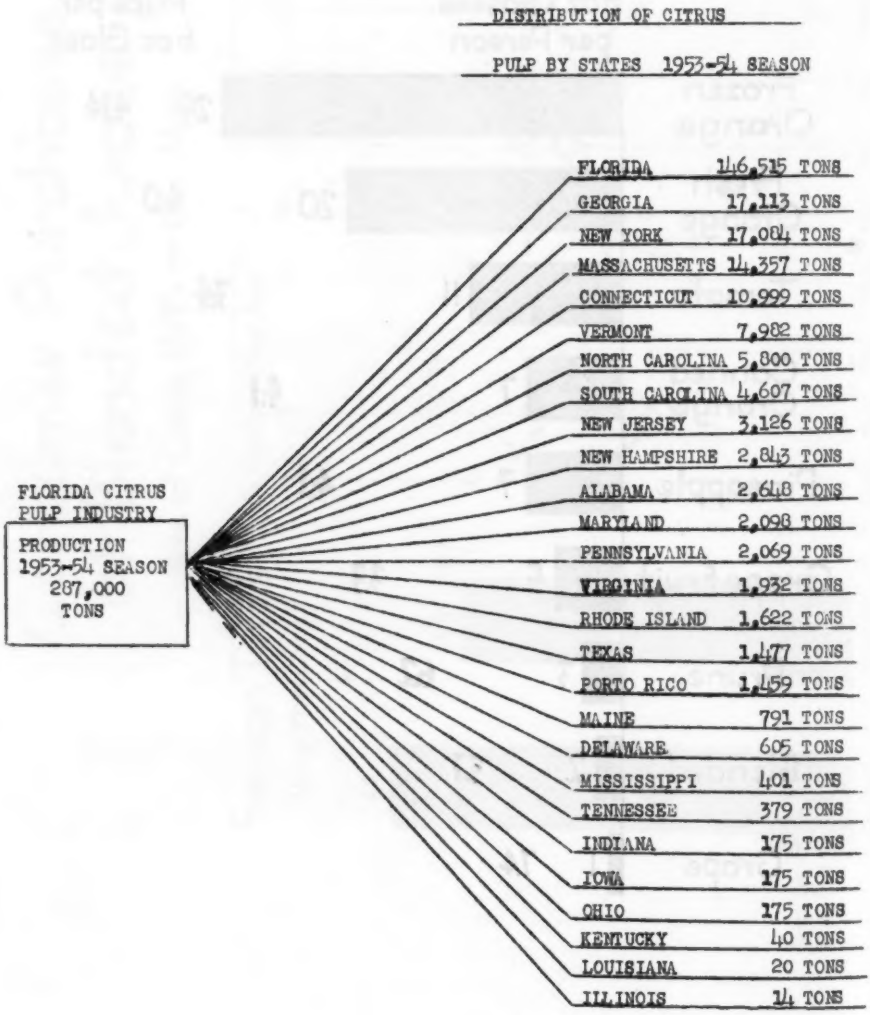

FRUIT JUICES
Consumption vs. Price
12 Mos. Ending June '54
6 oz. Glasses per Person
Price per 6 oz. Glass
Frozen Orange
29
4.1¢
Fresh Orange
20
6.0
Tomato
11
3.4
Canned Orange
7
4.1
Pineapple
7
4.1
Grapefruit
5
3.3
Prune
3
6.2
Blended
2
3.7
Grape
1
7.4

CITRUS PROCESSORS ASSOCIATION, TAMPA, FLA.

*State of Florida production report—Total production of citrus pulp and molasses for the seasons 1940–41 through 1953–54*

[In tons]

| Season | Pulp | Molasses | Season | Pulp | Molasses |
|---|---|---|---|---|---|
| 1940–41 | 32,730 | | 1947–48 | 154,181 | 65,887 |
| 1941–42 | 29,696 | | 1948–49 | 134,263 | 41,493 |
| 1942–43 | 47,376 | | 1949–50 | 163,397 | 41,388 |
| 1943–44 | 67,130 | 14,496 | 1950–51 | 187,543 | 70,356 |
| 1944–45 | 68,724 | 19,260 | 1951–52 | 218,065 | 54,035 |
| 1945–46 | 108,470 | 44,168 | 1952–53 | 223,311 | 39,112 |
| 1946–47 | 96,225 | 58,034 | 1953–54 | 287,832 | 52,690 |



CANADA
STATEWIDE DISTRIBUTION OF TONNAGE
CITRUS PULP AND MEAL
WASH.
ORE.
MON.
N. D.
MINN.
L. SUP.
ID.
S. D.
WIS.
L. MICH.
MIC.
L. HUR.
L. ONT.
N. Y.
17,084
L. ERIE
WYO.
NEB.
175
IOWA
PENN.
2,069
CAL.
NEV.
UTAH
COL.
KAN.
ILL.
14
IND.
175
OHIO
175
W. V.
MO.
40
KEN.
VIR.
1,932
ARIZ.
N. M.
OKL.
ARK.
TENN.
379
N. C.
5,800
S. C.
4,607
MISS.
401
ALA.
2,648
GA.
17,113
TEXAS
1,477
LA.
20
146,515
FLA.
791
Me
N. H. -2,843
MASS. -14,357
R. I. -1,622
CONN. -10,999
N. J. -2,126
DEL. -605
MD. -2,089

Mr. HERLONG. Mr. Chairman, at this time we would like to hear from Mr. Homer Hooks, of Lake Wales.

Mr. HOOKS. I am Homer E. Hooks. I am the marketing manager of the Citrus Canners Cooperative, at Lake Wales, Fla.

I represent a cooperative association of some 1,200 Florida citrus growers who anually produce about 10 percent of all the oranges, grapefruit, tangerines, and limes grown in the State. We process our members' fruit into such products as canned juices, canned grapefruit sections and citrus salad, and frozen concentrated juices. We have a complete processing operation for the benefit of our growers. Our annual sales are about 18 to 20 million dollars.

We are most anxious to see the United States Department of Agriculture research facilities at Winter Haven improved, because in our position as growers and at the same time canners, we appreciate fully the need for new and improved products to provide markets for our crops.

Florida citrus growers have never had a subsidy, nor do they want one. They prefer to solve their problems through hard work and intensive research to find new ways to merchandise their fruit.

Through the years, Florida citrus growers have leaned heavily on research. The development of canned citrus products in the 1930's saved growers from a serious surplus problem. Then, just after World War II, frozen orange concentrate was created to utilize millions of boxes of fruit which otherwise would have depressed existing markets. Since the war, thousands of new acres have been planted. It is estimated that production of oranges in Florida will increase by a third within the next 6 or 7 years.

While frozen orange concentrate has been a spectacular success in stimulating the market for oranges, the heavy production ahead means that we must have even more research to develop additional markets for the tremendous Florida orange crop. At times, heavy packs of canned and concentrated orange products have forced prices so low that they did not return profitable prices to growers of the fruit. This means that additional outlets must be found for the crops.

Largely because of concentrate, orange growers have fared considerably better than growers of grapefruit and tangerines. Nearly 2 million boxes of tangerines have been abandoned since the war because of no market for them. Last season, tangerine growers received an average of minus 13 cents for tangerines processed. New products and improvement of present tangerine products are badly needed at this time.

But the greatest need for research is in grapefruit. In the last 5 years, the per-capita consumption of fresh grapefruit has dropped 20 percent, and the per-capita consumption of canned grapefruit juice has dropped 48 percent. But in the same period our crops continued to grow, and last year the Florida grapefruit crop was the heaviest in history.

During the past 8 seasons, since the end of the war, we have actually abandoned 10,600,000 boxes of grapefruit in Florida. This fruit dropped to the ground, unharvested, because there was no market for it. In 1951–52, nearly 10 percent of the entire crop was a dead loss.

This does not necessarily mean that the grapefruit which was harvested was profitable to the grower. During the past 8 years, exclud-

ing 1 season of very low production, growers got an average of but 34 cents a box for grapefruit they sold to canners. It costs about 45 cents to grow a box of grapefruit, not including interest or taxes, and another 35 cents to haul it to a shipper or canner, so you can see that growing grapefruit has not been a profitable business.

As far as I know, not a single load of juice grapefruit has been hauled directly from a grove to a canning plant either last season or this season, simply because the canners' price was less than the cost of growing, picking, and hauling the fruit. Instead, canners have bought fruit which was rejected, mainly because of size or outside appearance, by the fresh fruit packinghouses.

This would not be so serious if canners took but a small portion of the crop, but for the past several years about half the grapefruit crop has gone to canners. The fresh market is fairly stable and is not likely to change now.

That leaves processing as our only hope. Gentlemen, we need a product to do for grapefruit what frozen concentrate did for oranges. And we need it soon. Growers and canners alike are losing money on grapefruit, and they can't continue to do so much longer. We have confidence in grapefruit crop, in some form, to the American people. We think they would like to have grapefruit and grapefruit juice, at a reasonable price, returning to our growers a fair profit above the cost of production, which growers are certainly not getting now. Today's price on canned juice will not return production costs to the grower, and canners are unable to raise their prices in view of heavy inventories of juice.

The answer, as we view it, is intensive research into the entire grapefruit problem: How to produce better-tasting canned and concentrated juices and sections, and perhaps most important, to find a new outlet—not now foreseen—which would bring the healthful properties of the grapefruit to every household in the country.

There are so many things in which more research is needed, such as the improvement of concentrates, development of cattle feed, molasses, oils, vitamin content, and related subjects, that there has been little time to take on the challenging task of creating a new product. Improved and expanded facilities at Winter Haven will offer the means for such research. Grapefruit growers, with at least $100 million invested in their groves, feel the grapefruit problem alone is worth the expenditure. We deny that there is overproduction of any citrus fruit. We look to the research laboratories to help us, as growers and canners, find the ways to promote more consumption of our fruits, in fresh or processed form.

Mr. HERLONG. At this time I should like to present Dr. W. R. Roy, of Plymouth, vice president and director of research, Minute Maid Corp.

Dr. ROY. Mr. Chairman and members of the committee, I am W. R. Roy, vice president and director of research, the Minute Maid Corp.

The citrus industry, particularly that part of it devoted to utilization of citrus fruits as processed products, is dependent on research results if it is expected to prosper. The magnitude of the industry, its economics and particularly its continuing rate of growth have been pointed out by the preceding speaker.

The State research groups and research laboratories of private industry are constantly endeavoring to develop new uses of citrus

products and to improve those that are in commercial production. They can go just so far unless they are supplied constantly with basic and fundamental information. This type of work is the responsibility of the United States Department of Agriculture. Logically, this fund of information can best be developed by topnotch scientists only in laboratories equipped with up-to-date scientific apparatus.

Fundamental studies which are urgently needed fall into five main groups:

1. FRUIT PRODUCTION

Breeding, nutrition, disease and insect control, cultural practices, and fruit-handling problems, with respect to fruit production for processing, need attention. This phase is touched on only briefly; it is a very important part of the overall program and satisfactory facilities exist in Orlando for handling problems of this nature. This important facet of the long-range picture needs a thorough basic investigation and fits into a cooperative effort requiring the combined efforts of that branch of the United States Department of Agriculture devoted to fruit production with the utilization branch.

In the past and now, most of the emphasis on development of fruit varieties, plant nutrition, cultural practices and the like, has been devoted to the fresh fruit aspect of the industry. To my knowledge, little work has been directed toward development and cultivation of fruit specifically for processing.

Yet, in 1954–55, approximately two-thirds of the Florida orange crop will be processed while one-third will be sold for the fresh fruit market. Suggested fields which need to be investigated are:

(*a*) Early fruit with good juice color, higher solids, and vitamin C content.

(*b*) Varieties which mature during the interval between midseason and Valencia crops.

(*c*) Varieties of fruit with low pectinesterase enzyme activity.

(*d*) Fertilizer and cultural practices which stimulate trends listed above.

2. IMPROVEMENT IN EXISTING PRODUCTS

Lacking is fundamental information which could serve as a basis for improving the quality of processed citrus products now being made. An industry cannot afford to stand still. We do not know what ingredients in citrus juices contribute to changes in flavor of juices when heated to sterilize for canning. Information of this type is necessary in order to begin development research aimed at improvement.

We do not know what chemical changes occur in juices during storage. The basic biochemistry of citrus and citrus juices is unkown.

Although a few of the enzyme systems of citrus are recognized, there are undoubtedly more enzymes present that, as yet, are unknown.

Emphasis should be placed on phases of the citrus industry which seem weakest. Two glaring weaknesses in the citrus picture today are in grapefruit and tangerine utilization. New or improved uses of these fruits must be found in order to stablize these branches of the industry.

Fundamental information is lacking concerning such essential matters as ways of determining with accuracy the true solids contents of

citrus juice and concentrates. This is a matter involving control of quality in products.

Better methods of measurement of pulp content of juices are urgently needed.

Fundamental bacteriological information is in great need by the industry, particularly in relation to quality of products.

3. DEVELOPMENT OF NEW PRODUCTS FROM CITRUS

This part of the picture is one which requires the spark of genius which we call invention. It is here too that fairly large scale pilot-plant equipment is necessary as an integral part of laboratory facilities.

Since an essential part of new product development is a knowledge of consumer acceptance, there should be facilities to produce a large enough quantity of a new product to enable marketing teams to sample the buying public to determine its reaction to the product.

4. PRODUCTS FROM CITRUS WASTES

As more and more citrus is utilized in processing channels, new problems of disposal of waste materials arise. At the present time, practically all of the peel and pulp is dried to make cattle feed—the well-known citrus pulp. The liquid pressed from the wet pulp prior to drying is concentrated into a molasses which is used for feeding cattle as such, or mixed with the dry pulp to add to its nutritive content.

The dried pulp is subjected to great variations in price, but is usually a moderately profitable operation, whereas the molasses is almost always at a breakeven point, economically, or sells at less than cost.

I quote from a statement made on page 10 of the brochure entitled "Proposed New Fruit and Vegetable Products Laboratory":

> It is our desire that the working facilities for a study of these citrus products be improved so that an investigation can be made of the possibilities of the use of these products in other ways. There has been no basic and fundamental research on the composition of either citrus pulp or molasses to an extent that a full understanding of the products at present has been developed. The general nature of the organic compounds present in these materials is known, but their specific values remain to be determined.

5 DISPOSAL OF WASTES

Just recently a great deal of attention has been devoted to the newly talked about vitamin P which is present in citrus wastes in vast amounts and is used in the prevention of colds and respiratory diseases. Citrus waste is a very rich source of this material. More work needs to be done on that.

The disposal of liquid wastes from citrus processing plants in Florida is one of the major problems of the industry. As production of processed citrus increases, the problem becomes more and more acute.

These wastes contain from 1 to 2 percent sugar and emanate from cleanup water, effluent from recovery of citrus peel oils, molasses plants, and from drip from peel bins. Due to the large tonnage of

citrus prosessed in individual plants, the volume of these wastes is tremendous.

The conventional procedure for disposal of such wastes is through a system of lagoons which in sandy soil permit leaching of the liquid into the ground, the excess being exposed in shallow areas in oxidized and subsequently permitted to run off into lakes or other natural waterways.

The lagoon system is satisfactory when only moderate volumes of liquid wastes are to be disposed of. During the early years of the processing industry, before plants became so large, lagooning was eminently successful. When the plants began to enlarge, soils in lagoons adjacent to them became quickly saturated. New lagoons were added to the systems, but capacities soon became so overloaded that very little of the waste water seeps into the soil. Throughput rate is so high that residence time of the liquid in the lagoons has been reduced so drastically that oxidation is often incomplete. This leads to the possibility of pollution of natural waterways.

Disposal of liquid wastes is one of the most important problems facing the citrus prcessing industry today. There is a crying need for research in this field.

DISCUSSION

In 1954 recommendations for research projects made by the Citrus Advisory Committee to the administrator of the Agricultural Research Service, 14 new projects were suggested. Of these, 10 were labeled "high priority," 3 "medium" and 1 "low in priority."

With the limited facilities available at the Winter Haven laboratory it is difficult to expect any results to emanate from work on these projects within a period of 3 to 4 years.

The program recommended by the advisory committee is commendable. The scientists at the Winter Haven laboratory are able. They are, however, severely handicapped because of space limitations. and because of lack of proper equipment which requires space to install. There is valuable apparatus stored in garage space at this laboratory which, if used to full advantage, would prove of great value in the research program of the station. Full advantage of this equipment has not been made; there is no place to set it up.

We in industry decry the lack of physical space and facilities afforded this group of scientists and for the continued success of our industry plead for adequate facilities so that they can be permitted to do the kind of work and the quantity they are capable of turning out.

Mr. HERLONG. I should like at this time to present Dr. L. G. MacDowell, who is research director for the Florida Citrus Commission.

Dr. MACDOWELL. Mr. Chairman, I have a short statement which I would like to read.

Mr. MARSHALL. You may proceed.

Dr. MACDOWELL. I am Dr. L. G. MacDowell, research director, Florida Citrus Commission, Lakeland, Fla. The Florida Citrus Commission is an agency of the State of Florida and is supported by an excise tax paid by the citrus industry on each box of fruit. My responsibility includes the administration of approximately $150,000 annually of these funds used in our research program.

The commission is wholeheartedly in favor of the proposed new laboratory facility of the USDA. We have always cooperated closely with the USDA in its research program, and at present I have the honor of serving on the industry advisory committee to the Winter Haven station. In fact, the development of the basic process for the production of frozen concentrated citrus juices was the result of the joint effort of USDA and Florida Citrus Commission research workers at this laboratory.

Due to overcrowded conditions, the Florida Citrus Commission was forced to terminate its working agreement with this station some years past, and we are now working in conjunction with the University of Florida's citrus experiment station at Lake Alfred.

Those of us employed in a technical capacity in the citrus industry are deeply aware of the many and diverse problems confronting us. The enormous increases in production in recent years, coupled with an ever faster growth of that portion of the crop which is processed, has greatly magnified the overall need for research. In particular, we need a much greater emphasis on basic research. We need to know more of the fundamental composition of citrus fruits. more of their complex enzyme systems, and more about the changes taking place under different treatments. This information we must have before more applied research can be productive.

It is in this area of basic research that the commission feels the USDA can meet its greatest challenge, and for this work they will need larger and more adequate facilities. Therefore, I respectfully urge your favorable consideration of this request for a new laboratory facility for the Winter Haven station.

Mr. HERLONG. Mr. Chairman, up to now the testimony you have heard has been devoted largely to citrus. I would now like to call on Mr. C. B. Streetman, Vero Beach, who represents the Florida Fruit and Vegetable Association.

Mr. STREETMAN. Mr. Chairman and members of the committee, my name is C. B. Streetman. I am associated with Hogan & Sons, Vero Beach, Fla., and a member of the Florida Fruit and Vegetable Association.

Florida is one of the Nation's leading States in production of late fall, winter, and spring vegetables. The following statistics furnished by the United States Department of Agriculture are on 15 principal crops—acreage, production, and values.

Average acreage harvested in the years 1949–51, 259,570; in 1952, 283,900; in 1953, 297,400.

Production in tons average in the years 1949–51, 1,118,000; in 1952, 1,279,600 tons; in 1953, 1,309,200 tons.

Values average for the years 1949–51, $106,330,000; in 1952, $131,950,000; in 1953, $116,026,000.

On 13 principal crops in the 1952–53 season 366,800 acres were harvested at a value of $142 million.

There is a tremendous amount of vegetables grown to maturity and left in the fields partially harvested and abandoned for economic reasons caused by lower prices or distressed market conditions. Also there are large amounts of vegetables picked and hauled to packinghouses that are dumped because of market conditions or lower grades. This is a total loss to the producers. The existing processors use a very limited amount of these vegetables.

If the vegetable producers in Florida could realize something out of these vegetables that are grown to maturity and abandoned for economic reasons, the producers would be in much better condition to maintain for the Nation an adequate supply of wholesome, healthy fresh vegetables in the late fall, winter, and spring seasons.

Neither basic nor applied utilization research on the various vegetables produced in Florida has been implemented to the degree necessary to match the progress and development of production research and the internal growth of the vegetable industry within this State.

One of the reasons for this failure can be attributed to the lack of such research facilities within the producing areas of Florida. Additional expanded uses for vegetables are needed for Florida producers if they are to remain geared to a level of production which will keep themselves and all component parts of the production and distribution system in efficient and economical balance for the direct and indirect benefit and welfare of the State and Nation.

The research necessary to achieve a greater utilization of Florida vegetables can best be accomplished through facilities within Florida and operated by personnel familiar with the production practices, problems, crops, and conditions associated with the vegetable industry in Florida.

It is therefore urgently requested that funds be appropriated to enlarge, improve and as necessary rebuild the utilization research facilities now located in Winter Haven, Fla., so that this laboratory may continue to be of maximum value and service to the citrus industry it now serves and be of similar value and service to the vegetable and tropical fruits industries.

Mr. HERLONG. At this time we would like to call on Mr. George H. Wedgworth, Belle Glade, Fla., who is a grower and shipper and director of the Florida Fruit and Vegetable Association.

Mr. WEDGWORTH. I am George H. Wedgworth, grower and shipper of fresh vegetables in southern Florida, also a director of the Florida Fruit & Vegetable Association.

Florida, due to its geographical location, has become a major supplier of fresh vegetables which are essential to the health of the Nation. Since the peak production is during late fall, winter and spring, production costs and risk factors are greater. This necessitates complete utilization of our vegetable crops to insure a profitable return to the producer.

Today there are great wastes of highly nutritious vegetables due principally to economical abandonment. Economical abandonment results in loss to the producer, higher cost to the consuming public, less trade and traffic in commerce, and contributes to periodic unemployment of agricultural labor. Utilization research is the answer to the correction of this condition.

Basic and applied utilization research has not kept pace with the growth of the vegetable industry in Florida. Vegetable utilization research has, in the past, been conducted in the vegetable producing areas of the East, Midwest, and West.

The results obtained in these areas are, in the most part, not applicable to the same variety produced in the South. Moreover, the varieties and kinds of crops vary greatly from southern and subtropical conditions. Therefore, there is a great hiatus of knowledge concerning utilizations under our conditions.

Research agencies that are now working with vegetables are concentrating mostly on plant breeding, disease and insect control and cultural practices. In the almost lack of utilization research, there will be no duplication of work if the United States Department of Agriculture extends utilization research to vegetables.

Since there is a close relationship between maturity and variety studies with those of utilization research, we have been assured to close cooperation of other research agencies working with those projects.

Economic abandonment is but one of the needs for utilization research. The losses that result from grading and trimming vegetables for the fresh market are also great, for instance, tomatoes which are too mature for shipment, sweet corn that will not grade high enough for the fresh market but is excellent quality for processing, celery strippings that are highly nutritious but not acceptable for the fresh market.

There are promising possibilities in utilizing these and other wastes of the vegetable industry. Research will have to lead the way.

It is true that the largest percentage of vegetables that leave Florida are in the fresh form, however, canners and freezers are making considerable strides in increasing the tonnage of vegetables that are processed. They are also using a wider variety of vegetables. Assistance that is needed in this industry in the field of research will not only help the processor but also the producer and consumer as well.

There are also possibilities in utilization of vegetable wastes in the form of animal feeds. Some limited work has been done along these lines; however, there is a great need for additional research.

As our country increases in population, additional demands are going to be placed upon the vegetable producer—not only to increase production, but to become more efficient. Efficiency in the field of production such as higher yields per acre, labor-saving equipment and reduction of losses due to disease and insects has increased greatly. The greatest need in our vegetable industry today is to utilize all of the vegetables that are produced. We look to research to lead the way.

In behalf of the Florida vegetable industry we respectfully request your favorable consideration be given to the proposed Fruit and Vegetable Products Laboratory to be located at Winter Haven, Fla.

Mr. HERLONG. At this time I should like to call on Hon. Harry E. King, city attorney of Winter Haven.

Mr. King has been a member of the Florida State Senate for a number of years and has recently been designated by his colleagues as the next president of that body.

Mr. NATCHER. Mr. King, I have examined your prepared statement here and I have in mind the question of the location of this proposed new building and then what if anything could be done with the present location, the land, and so forth. Tell us what you have in mind along that line.

Mr. KING. I am Harry King, city attorney and member of the State senate. I have some knowledge of the State's cooperation with the Federal Government in this research work. I might say at the outset that the present station in Winter Haven, the site was donated to the Government and the first building on it was also donated by the city.

Now our little city has agreed to furnish a new location. Officials of the Department have been to Winter Haven and have selected three different sites. We want considerably more land than they have at this time. We have obtained options on 2 of the 3 sites. The third was just not available.

The cost to us is going to be quite substantial undertaking for us, but we are very conscious of the importance of this work not only to citrus but to the vegetable and the subtropical fruit industry.

Mr. NATCHER. Mr. King, just as a matter of having it in the record, what would be the approximate cost of either 1 of these 2 proposed sites?

Mr. Chairman, it so happens that my good friend and colleague, Mr. Horan, and I have seen these two particular sites and they are valuable sites and are well located. What is the approximate cost of these 2 sites?

Mr. KING. One of the sites would cost us about $31,500. The other, I believe, would cost us about $16,500.

Incidentally, those 2 sites—and I believe you gentlemen saw them, you saw the sites.

Mr. HORAN. Yes; we did.

Mr. KING. They are both located on the main highway. They are both sufficiently close to town to be accessible for all utilities. They have highways that are available from all directions, north, south, east, and west. One of them overlooks a lake—in fact a lake that I live very close to. This tract is on the other side of the same lake. I don't think it is going to increase the value of my property any but I am just locating it so some of these gentlemen will know where it is.

It also faces on a public park that will be a permanent park. I know it would be a beautiful spot for it. The other site is on the north side of this park and is also on a main highway and looks south on this park instead of looking north. I believe that the committee, depending, of course, on what is made available for its facilities there, I believe they would be very happy with one or the other, and the city is permitted to furnish a location which is acceptable to the Department officials.

Now, you asked about the other site. Here is the feeling. They would like the Government to reconvey the old site to the city so that we might at least recoup some of our costs. We operate on a very tight budget and we can't do any of that type of spending where you don't have money. We are hopeful that it will be agreeable; I think the Department of Agriculture people felt in a cooperative mood along that line, that they would reconvey to us the present site and the city would furnish fully adequate quarters—not the building, of course—but the land.

The only thing I want to add to that is that the city, the people are happy to have this type of facility there. We are anxious to have it. We want to furnish such facilities, we want to do what we can and make it a nice place that a Department facility would be located in. We just want you to feel that it is a thing that we are anxious to have in our little town.

The existing United States citrus products station at Winter Haven, Fla., is on property donated to the Federal Government by the city of Winter Haven and, in fact, the first building on the property was also donated by the city in 1931.

To evidence its further interest in the citrus, vegetable, and subtropical fruit industries as well as in the United States Department of Agriculture, the city has formally agreed to furnish to the United States Government gratuitously an adequate and acceptable site for the proposed new laboratory. Certified copies of the official resolution are available and will be attached to my formal statement.

Officials of the Department of Agriculture have indicated three choices of sites for the proposed new laboratory. One of these sites was not available. However, the city has acquired options on the other two sites, both of which are adequate in every respect.

One of the sites is an unusually fine, attractive, and desirable location adjacent to a beautiful lake. It overlooks additional lakes; is contiguous to a permanent park; is contiguous to a main highway; is accessible by highway from north, south, east, and west; and has all the prerequisite characteristics for installation of public utilities such as water, power, sewers, telephone, and so forth.

The other site is similarly situated except that it is not quite so near a lake but is directly on a main highway; is contiguous to the same public park; is accessible by highways from all directions and installation of all utilities would be equally available. The area of this tract is somewhat larger than that of the other.

Both sites lend themselves admirably to a Government building of top quality and we feel that the Government, as well as the industries concerned, could well take justifiable pride in the contemplated facility being located on either site.

It has been agreed with officials of the Department of Agriculture as well as with industry representatives that upon conveyance by the city to the Federal Government of the site to be selected, that the Government in turn would reconvey to the city the property now occupied by the present United States Citrus Products Station. I think I should point out that this particular property was a gift from the city to the Government originally.

The city Government and local citizens are ready and anxious to extend full cooperation to the Department of Agriculture and other various organizations and interests concerned with citrus, vegetables, and subtropical fruit at all times, but particular so at this time in connection with this specific project.

Mr. HERLONG. And now we have Mr. W. W. Giddings, who is vice president of Snively Groves, Inc., and chairman of the industry advisory research panel to the USDA for the Winter Haven By-Products Station.

Mr. GIDDINGS. Mr. Chairman and members of the committee, I would like to thank you for this opportunity to appear.

Mr. MARSHALL. You may proceed.

Mr. GIDDINGS. My name is William W. Giddings, vice president of Snively Groves, Inc., located at Winter Haven, Fla. I am in charge of research and development work. We are growers, packers, canners, and concentrators of citrus fruits. I have been the chairman of the industry advisory research panel to the USDA Citrus Products Laboratory at Winter Haven, Fla. for several years and I am also general chairman of the statewide committee representing citrus, vegetable, and subtropical fruit interests that are jointly appearing before you today.

Since World War II and the development of frozen-orange concentrate, the citrus industry of Florida has become very research minded. Up to this time the need for developing new byproducts was being pressed by relatively few within the industry. Today this situation has reversed itself as our file of testimonial letters from industry leaders will substantiate. You will find not only well-equipped control laboratories at the various plants but also research facilities in charge of competent scientists.

It was during this period of scientific awakening that the industry advisory research panel to the USDA Citrus Products Laboratory was organized. The panel's membership is selected by industry and includes representatives from State research agencies. The object of the panel is to act as a liaison between industry and the Federal laboratory, to assist the laboratory personnel in assigning the various projects their proper priority, to cut down on duplication of effort, and to develop unity of effort between industry, State research agencies, and the Federal research system. Included on this panel are the three Florida members of the USDA Citrus Fruit Advisory Committee.

I have made this brief explanation of the panel's organization and work to show you that industry greatly appreciates the valuable assistance that the Federal Government is presently rendering and that industry is also aware of the capacity of the present laboratory's equipment, personnel and buildings.

The witnesses preceding me have developed numerous sound reasons for the need for a new utilization laboratory for fruits and vegetables to replace the present old and overcrowded Citrus Products Laboratory at Winter Haven, Fla.

My testimony will endeavor to highlight the pertinent facts why the fruit and vegetable industries believe this proposed project should be built and operated by the Federal Government:

1. This is not a new project but the expansion of an existing Federal facility. This expansion would not only enlarge the present citrus products program but would add facilities for utilization studies on subtropical fruits and vegetables which have long been neglected and indicate great potentialities.

2. As the raw products to be worked upon by the proposed utilization laboratory are grown in other areas as well as in Florida but not in such great volumes, our industries feel that the fundamental utilization research work should be a function of the Federal Government and the results obtained be disseminated to the other areas for application.

3. As the Federal Government already is engaged in a large overall agricultural utilization research program, this project could well be intergraded into the program with great savings by the interchange of personnel and equipment with other Federal facilities.

4. Research on perishable commodities must be done as near to the growing area as possible if detrimental changes are not to take place. Winter Haven is ideally located as it is central to the growing areas of both the fruits and vegetables in question.

5. The proposed project should be confined primarily to fundamental research. This type of research should be long range in scope with the ultimate utilization of the raw products into some useful product as the primary object.

6. Basic research is imperative before many of our complex problems of utilization can be successfully solved.

7. A fundamental knowledge of the pertinent facts would automatically solve a great number of our now so-called emergency problems quickly and efficiently.

8. A Federal agency working on fundamental research problems is less likely to be diverted from its pursuit of basic knowledge by a local emergency.

9. Our store of basic knowledge is inadequate and must be enlarged if we are to continue to advance.

The industries appearing before you today are not asking the Federal Government to subsidize a research laboratory for them but rather that the Federal Government assist agricultural interests help themselves and make a sound investment in the future. Therefore, as producers, processors, and as Federal taxpayers, we respectfully request that a new Federal utilization laboratory for citrus, subtropical fruits and vegetables be established at Winter Haven, Fla. I have here a resolution adopted by the city commission on February 7, which I offer for the record.

(A resolution submitted by Mr. Giddings follows:)

RESOLUTION

Whereas there is now located in the city of Winter Haven, Polk County, Fla., a United States citrus products station on property heretofore conveyed by the city of Winter Haven to the United States of America; and

Whereas officials of the United States Department of Agriculture and representatives of the citrus and vegetable industries of the State of Florida have advised officials of the city of Winter Haven of the plans for a new and enlarged utilization research laboratory to be erected in the city of Winter Haven and operated by the United States Department of Agriculture; and

Whereas officials of the United States Department of Agriculture have advised officials of the city of Winter Haven of the need for a new site for the erection of such utilization research laboratory and have inspected three such sites within the city of Winter Haven and have indicated their preferences with respect to such sites; and

Whereas the city commission of the city of Winter Haven desires to cooperate with the citrus and vegetable industries of Florida and the United States Department of Agriculture: Now, therefore, be it

*Resolved, by the city commission of the city of Winter Haven, Fla.*, That the city will gratuitously convey to the Federal Government a site for such above-mentioned utilization research laboratory, and upon receipt of notice from the United States Department of Agriculture that such site will be utilized the city of Winter Haven will forthwith endeavor to acquire title to 1 of the 3 sites mentioned in the order of preference heretofore indicated by the United States Department of Agriculture, upon condition that when title to such site in conveyed to the United States of America there will be reconveyed to the city of Winter Haven title to the property now owned by the United States of America and used for the United States citrus products station in Winter Haven, Fla; and be it further

*Resolved*, That the city of Winter Haven in the event it is unable to acquire title to any of the three mentioned sites, the city of Winter Haven will acquire title and gratuitously convey to the United States of America, upon the conditions referred to above, a site suitable and adequate upon which the United States Department of Agriculture will erect such utilization research laboratory.

The foregoing resolution was adopted by the city commission of the city of Winter Haven, Fla., at a special meeting held February 7, 1955, at 4:30 p. m., and is incorporated in the minutes of the city commission meeting on said date.

[SEAL] (Signed) GEORGE L. BURR, JR.,
*Mayor-Commissioner.*

Attest:

(Signed) O. R. WAY,
*City Auditor and Clerk.*

STATE OF FLORIDA,
*County of Polk:*

I, O. R. Way, city auditor and clerk of the city of Winter Haven, Fla., do hereby certify that I am the duly appointed, qualified and acting city clerk of said city and that as such I am the keeper and custodian of the records of said city.

I do hereby further certify that the foregoing constitutes a true and correct copy of the resolution as adopted by the city commission of the city of Winter Haven in special meeting held February 7, 1955.

In witness whereof I have hereunder set my hand and affixed the corporate seal of the city of Winter Haven, Fla., this 8th day of March 1855.

O. R. WAY,
*City Auditor and Clerk.*

Mr. ANDERSEN. Has this request been officially made of the Bureau of the Budget?

Mr. GIDDINGS. It is my understanding that when the budget is made up—not the present budget, the present budget is too far gone, but the next budget I understand each Federal regional laboratory may have one building program submitted. We have that position. The United States Department of Agriculture can explain that to you.

Mr. ANDERSEN. We have previous testimony here off the record that this installation will cost about $810,000; is that correct?

Mr. GIDDINGS. That is correct, sir. That is the estimate. I think that is in the brochure.

Mr. ANDERSEN. And further for the record, that the additional cost of implementing this installation would be approximately what, $50,000 a year above the present level?

Mr. GIDDINGS. I would say at least that; sir, yes.

Mr. ANDERSEN. $50,000 to $60,000.

Mr. GIDDINGS. Yes, $50,000 to $60,000 additional.

Mr. ANDERSEN. What attitude does the Department of Agriculture hold as to this particular project?

Mr. GIDDINGS. They have shown a great deal of interest. Just last week I had an extended conversation with Dr. Hilbert down there. I have discussed it with Dr. Shaw, who is in charge of all research for the United States Department of Agriculture.

Mr. ANDERSEN. Did they say they would ask for it before the budget this coming year?

Mr. GIDDINGS. They made no commitment. They asked to have the industry submit the request and that is why we are here today, sir.

Mr. ANDERSEN. This is a sizable item, Congressman Herlong, and I hesitate to go into it too deeply without a budget estimate on the subject. You have, however, made out a very good case for it.

Mr. HERLONG. We have gone into that carefully and in the brochure you have there is a detailed discussion of how much it would cost. I would like, Mr. Chairman, if possible, to get that information into the record, as much of it as you think is necessary to cover this subject. It is in the brochure sent to your offices several days ago. We have copies of it here today. It was prepared by the United States Department of Agriculture.

Mr. MARSHALL. The committee has the brochure in its files. We will include as much in the record as possible.

Mr. HERLONG. Certainly.

Now, Mr. Chairman, here are some of the letters I have received from people who have written me urging the inclusion of this item

in our appropriation bill. As you can see there is quite a sizable pile of letters here. I show you these to impress upon you the tremendous public interest in and support for this appropriation.

In 1949 the United States Department of Agriculture Citrus Fruit Advisory Committee reported that after inspecting the laboratories, and in view of the expanded citrus acreage and the many problems facing the industry it was the unanimous recommendation of that committee that the new and enlarged facilities are needed and should be provided for the use of the United States citrus problems laboratory in Winter Haven. Since that time the expansion has been tremendous and it is even more needed than it was at that time.

Mr. MARSHALL. We have two short questions: Has the State of Florida put up any funds for this purpose?

Mr. HERLONG. They have their own research laboratories and they are financing them. As has been said earlier they are spending more money on citrus research than the Federal Government.

Mr. MARSHALL. They do not anticipate any contribution to this particular project?

Mr. HERLONG. No, except that the city offers the site.

Mr. MARSHALL. How about the citrus industry?

Mr. HERLONG. The citrus industry makes a contribution for research, but there is room for them to work in the present facilities.

Mr. MARSHALL. Do they contemplate making a financial contribution to this laboratory?

Mr. HERLONG. I don't think that they do.

Mr. GIDDINGS. Dr. MacDowell is the one who contracts this research work out for the Commission.

Dr. MACDOWELL. I am administrator for the Florida Citrus Commission as you understand, but I would say the building and the work proposed would not duplicate anything that is now being done in the State of Florida. Certainly, if the facilities are not there, the citrus commission cannot cooperate as they have in the past because of a lack of facilities. I cannot promise that we will actively participate to the extent of putting our money into it in the future. We have made one move of the United States Department of Agriculture facilities over to the other State facilities. It is not ouside of the range of possibility that we will certainly cooperate actively with them again.

Mr. HOLLAND. You may be interested to know in connection with the question you asked, sir, that our State experiment station just for citrus alone spends over $800,000 annually. That is State funds appropriated by the legislature. In addition to that, Dr. Wendell, who is the head of the processing and byproducts work of our citrus experiment station of our State is on the advisory panel to the Federal laboratory. That is how close the cooperation is for the mutual benefit of both facilities, and further to avoid any duplication of effort, funds, or facilities.

Mr. MARSHALL. Thank you, Mr. Holland.

Mr. HERLONG. I ask unanimous concent at this time to put in this statement here showing the estimated cost of the laboratory and the details of it.

Mr. MARSHALL. Without objection it will be placed in the record.

(The statement referred to follows:)

*Estimated cost of proposed laboratory*

| | |
|---|---|
| I. Laboratory building | $496,000 |
| II. Laboratory equipment | 224,000 |
| III. Furnishings and office equipment | 12,000 |
| IV. Garage | 4,000 |
| V. Grounds improvements | 22,000 |
| VI. Solvent storage building | 2,000 |
| VII. Architects and engineers fees | 50,000 |
| Total cost | 810,000 |
| I. Laboratory building: 33,046 square feet floor space: | |
| Pilot plant, 48 by 164 feet, 7,872 at $15 | 118,000 |
| Basement floor, 66 feet 9 inches by 164 feet, 10,947 at $12.50 | 137,000 |
| Laboratory, 66 feet 9 inches by 164 feet, 10,947 at $17.50 | 192,000 |
| Pilot plant balcony, 20 by 164 feet, 3,280 at $15 | 49,000 |
| Total | 496,000 |
| II. Laboratory equipment: | |
| Chemistry laboratories, 9 rooms | 54,000 |
| Incubator room | 6,000 |
| Bacteriology laboratory and plating room | 6,400 |
| Low humidity room | 10,000 |
| Photographic dark room | 3,000 |
| Instrument room | 5,000 |
| Do | 10,000 |
| Oven room | 1,000 |
| Glassware-chemical storeroom shelving, etc | 3,000 |
| Chilled water system | 10,000 |
| Product evaluation room | 7,000 |
| Pilot plant storage shelving | 1,500 |
| Pilot plant tower | 10,000 |
| Storage rooms, 50°, 60°, 70°, 80° F.: | |
| 9 tons refrigeration | 3,600 |
| 810 square foot walls at $15 | 12,000 |
| Storage rooms, 40° F., —5° F., and —10° F.: | |
| 22.5 tons refrigeration | 9,000 |
| 1,200 square foot walls at $30 | 36,000 |
| Shop and storage shelves and benches | 1,000 |
| Locker room | 1,500 |
| Air compressors | 2,000 |
| Vacuum jet, booster, barometric condenser | 10,000 |
| Mechanical vacuum pumps | 3,000 |
| Shop benches | 1,000 |
| 30 horsepower boiler and controls | 10,000 |
| 10 horsepower boiler and controls | 2,000 |
| Water still and piping | 4,000 |
| Monorail | 2,000 |
| Total | 224,000 |

Mr. NATCHER. I realize full well we are a little behind on our schedule and that there are other delegations to appear before this committee this afternoon but I would like to join with you, Mr. Chairman, in thanking these gentlemen from Florida, our friends and colleagues from the State of Florida, and Senator Holland for appearing before our committee at this time.

As you gentlemen of the committee know, on several occasions during the past 3 weeks, my good friend and colleague Mr. Horan and I have pointed out to the Secretary of Agriculture and the Assistant Secretary of Agriculture as they appeared before this committee, the

fine work that is being done in the State of Florida at the present time, in regard to the Utilization Products Laboratory.

Mr. Chairman, Mr. Horan and I were privileged to make an inspection trip, together with our good friend and colleague, Mr. Herlong, of the State of Florida, several weeks ago. We inspected the present Utilization Laboratory and found it to be a wooden-type structure, very similar, Mr. Chairman, to the old CCC projects that we have in my State of Kentucky. It is totally inadequate. It is my information, Mr. Chairman, that this building was constructed in the year 1931. In the year 1940 and in the year 1946, certain small additions were made to this particular building. They have equipment in this building, Mr. Horan as you and I well know, that they are unable to use, due to the fact that the building is totally inadequate. It is not large enough. It is not sufficiently large for the employees to work. It is not large enough to work in and utilize their present equipment.

Mr. HERLONG. As I recall, Mr. Natcher, if you will yield just a moment, some of this equipment they have to move out in order to move other equipment in when they have to use it. There is a great loss of time in shifting equipment back and forth.

Mr. NATCHER. That is right, and I particularly noticed that, Mr. Herlong.

Further, Mr. Chairman, one thing that impressed me on the inspection trip that we took was the splendid cooperation between the Plant Board of the State of Florida, the citrus industry and the Department of Agriculture. We have splendid cooperation between all of these departments in this particular type of work. Sometimes we wonder, Mr. Chairman, as to whether or not the money we spend and send into the different States is effectively spent and utilized, but I say to you quite frankly that the money spent by the Federal Government each year in the Department of Agriculture's laboratories and especially the Utilization Laboratory in the State of Florida is well spent. We have good results here. A new Utilization Products Laboratory is needed at the present time and would be a fine investment on the part of the Federal Government.

I wanted to make that statement, Mr. Chairman. Mr. Horan and I were very much impressed with our trip, and in seeing the fine work being done in the State of Florida.

We realize, Mr. Chairman, that something must be done at the present time to assist the State of Florida. With spreading decline and the burrowing nemitode situation as it is now in Florida, we have almost reached the stage of a crisis. Fine work has been done in the past and if this new laboratory is built and operated by the Department of Agriculture they will have the full cooperation of the State of Florida, all of the officials, the plant board, and the citrus industry generally.

I want to thank you, Mr. Herlong, my good friend, for bringing before us all of these distinguished gentlemen. Thank you, gentlemen.

Mr. HORAN. I want to join with Mr. Matcher. I wish this were in the budget because, as he says, it is a sizable item. I think there is no doubt but what we are going to have this laboratory building and I, for one, wanted to go along and do it now because it is merely a matter of time. We will be criticized if we put it in the bill, but

I think, since it is going to be in there sometime anyhow, it might as well be now.

Mr. HERLONG. I realize we face an obstacle because it isn't in the budget, Mr. Horan. I wish Dr. Hilbert could be brought back. I was asked whether this work duplicated work done in Texas and California on citrus. It was my understanding when we were down there that the head of the laboratory was then on his way to Pasadena for a meeting of the three citrus-fruit laboratories at which meetings were held twice a year; they do coordinate the work.

Mr. MARSHALL. Let me say we regret we are crowded for time.

Mr. GIDDINGS. Ninety percent of the processing is done in Florida that is done in the United States.

Mr. ANDERSEN. Mr. Chairman, I would like to compliment Congressman Herlong for conducting a very fine presentation of his group before us today.

Mr. MARSHALL. Thank you, Mr. Herlong. We appreciate your bringing these people before the committee.

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THURSDAY, MARCH 10, 1955.

## NATIONAL SEED STORAGE FACILITY

### WITNESSES

**DONALD G. FLETCHER, EXECUTIVE SECRETARY, RUST PREVENTION ASSOCIATION, MINNEAPOLIS, MINN., REPRESENTING THE GRAIN IMPROVEMENT COUNCIL**

**D. W. ROBERTSON, HEAD, AGRONOMY DEPARTMENT, COLORADO A. & M. COLLEGE, FORT COLLINS, COLO., REPRESENTING THE SUBCOMMITTEE ON NATIONAL SEED STORAGE FACILITY, NATIONAL COORDINATION COMMITTEE, NEW CROPS PROGRAM**

**WILLIAM HECKENDORN, EXECUTIVE SECRETARY, AMERICAN SEED TRADE ASSOCIATION, CHICAGO, ILL.**

**DALLAS WESTERN, QUAKER OATS CO., MEMBER OF THE GRAIN IMPROVEMENT COUNCIL**

**HOWARD SPRAGUE, HEAD, AGRONOMY DEPARTMENT, PENNSYLVANIA STATE UNIVERSITY, STATE COLLEGE, PA., REPRESENTING NATIONAL JOINT COMMITTEE ON GRASSLAND FARMING**

**LLOYD ARNOLD, SEED PRODUCER, FIVE POINTS, CALIF.**

**WILL M. MYERS, HEAD, AGRONOMY AND PLANT GENETICS, UNIVERSITY OF MINNESOTA, ST. PAUL, MINN.**

Mr. MARSHALL. The committee will be in order. We are pleased to have before us Mr. Fletcher, who has a problem to take up with this committee. We will appreciate it if you will proceed, Mr. Fletcher, and introduce for the record the people appearing with you.

Mr. FLETCHER. Thank you, Mr. Chairman and gentlemen of the committee.

Mr. ANDERSEN. As you know, Mr. Chairman, Mr. Fletcher has appeared before this subcommittee for a good many years and I have always found the advice and counsel he has given to us to be very much worth while.

Mr. FLETCHER. Thank you very much, Mr. Andersen.

Mr. ANDERSEN. Would you first introduce the other gentlemen, Mr Fletcher?

Mr. FLETCHER. Dr. D. W. Robertson, head of the agronomy department, Colorado A. & M. College, Fort Collins, Colo.

William Heckendorn, executive secretary, American Seed Trade Association, Chicago, Ill.

Mr. Dallas Western, of the Quaker Oats Co., whom you have seen before.

Dr. Howard Sprague, head of the agronomy department, Penn State University, State College, Pa.

Mr. Lloyd Arnold, a seed producer, Five Points, Calif.

Dr. Will M. Myers, head of the agronomy and plant genetics department of the University of Minnesota, St. Paul.

Mr. Chairman and members of the committee, there are several matters I wish to present to this committee, all of which are of real concern to the members of our association and important to the regional and national agricultural research program.

### A NATIONAL SEED-STORAGE FACILITY

Precious plant germ plasm is being lost in the United States. Plant genes which are irreplaceable today have died. Lack of proper and adequate storage space is the principal cause of the complete or partial loss of germination of many lines of plant-breeding material held by the United States Department of Agriculture and the State experiment stations.

Plant explorers of the United States Department of Agriculture have for years been searching every corner of the globe for seed of different kinds of wild and cultivated plants. Thousands of collections, many from areas now behind the Iron and Bamboo Curtains, were brought to this country for future use by our plant breeders. Today we find that much of this valuable material has died or been lost or dissipated through the lack of storage facilities or properly placed responsibility in the care and maintenance of such propagative material. As is usually the case, that which is everyone's business is nobody's business.

### MANY SOURCES OF GERM PLASM LOST

In the case of grains, more than a third of all the lines originally collected are now dead. This loss means that many thousands of grains with different kinds of germ plasm, possessing various genes for disease and insect resistance, drought or winter hardiness, quality and yield factors, and adaptability to southern or northern conditions, are lost to the scientists who are seeking certain desirable characters needed to meet our present production and processing problems.

A large collection of bean types, many aboriginal, was made some years ago in southwestern United States. These were held at one of the Federal horticultural stations. The lack of proper storage space and funds to regrow these lines periodically in order to keep them viable has resulted in the loss of a major part of this collection.

A few years ago a study was made regarding the availability of clover introductions that had been made since 1898. This survey

disclosed that only 1 out of every 50 clover lines introduced was still available.

Nearly every seed-producing crop has a similar history. In many cases the introduced lines were forwarded to individuals at experiment stations who were most interested in and working with the particular crop concerned. In some few cases an excellent job of taking care of the seed collection was done, but usually the collection was dispersed or lost when the responsible individual who was personally interested in the collection retired or died.

### CHARACTERS NEEDED BY PLANT BREEDERS VARY OVER THE YEARS

In years past few people had the vision or a proper understanding of the importance of individual genes or the factors they controlled in our crop plants or their wild relatives. Scientists who may have been sent many of the imported plant lines often discarded all that did not contribute to their particular problems. From time to time the breeding problems faced by the scientists change. For example, breeders are seeking resistance to race 15B of stem rust of wheat today. Five years from now it probably will be some other race of rust that may not even exist today which will demand other sources of rust resistance.

A change of cultural practices brings about a demand for different characters. Mechanization of harvesting procedures for cotton, beans, corn, small grains, legumes, and other field or horticultural crops requires different types of plants than those that were acceptable when hand and horse labor was exclusively used. Valuable germ plasm for other characters perhaps today undreamed of will be lost unless action is taken now to protect the peculiar variety and perpetuate it. Actually no individual scientist and few institutions can afford to store and maintain properly all of the many lines of any one kind of plant that are available in the world.

Many native or wild plants closely related to our crop plants have been found to possess characters of disease or insect resistance, winter hardiness, brought tolerance and other desirable factors which can be obtained when these plants are crossed with our commercial varieties. It is now hard to find some of the old native grasses and forage crops. Seeds of such plants must be protected.

### SEEDS OF ALL KINDS INCLUDED

Fortunate is the experiment station that has proper and adequate storage facilities for the germ plasm its scientists need today. Such institutions are few and far between, and none have more than temporary storage for more than part of their crop plants. In the case of the proposed germ plasm bank, we are not talking about seed increase storage or seed for yield trials, and only indirectly about the relatively few lines of breeding stock which are being used to solve current problems. We are referring to the tens of thousands of lines of plants that will supply the germ plasm from which the genes that control factors needed for future genetic and plant improvement work. All seed-bearing plants are included.

It is proposed that a national seed storage facility be constructed at Federal expense for the storage and preservation of a small quan-

tity of seed of every seed-bearing plant which may be of value for future plant breeding work. In the case of small seeds it would amount to only a few ounces, and with large seeds the total weight of any one variety would not exceed a pound or two.

SPECIAL CONSTRUCTION AND CONTROLS REQUIRED

Special construction and the provision for controls are needed which will provide different temperature and humidity conditions for the continual protection of seed which will require many different combinations of storage conditions for optimum safety. Laboratories for research studies on the storage problems and viability of the different seeds, together with facilities for the necessary staff, must be provided.

It is believed that the most suitable place for the storage building would be in a dry, high region. It is estimated that a building adequately equipped to meet the present needs will cost not less than $450,000. Operating costs, salaries, and a fund which will permit renewing of seed as necessary under contract by the breeders in the areas where those crops are grown would not exceed $100,000 per year.

Inasmuch as the regular agricultural budget does not include an item for this purpose, we respectfully suggest that funds which may be appropriated for this purpose and for the construction and administration of a national seed storage facility be in addition to, rather than in lieu of, any funds provided by the regular budget.

The cost of the facility is modest when it is understood that seeds of crops valued at $12 billion annually are included.

A thorough investigation has been made as to the availability of suitable buildings owned by the Government which are already in existence. None that meet the special requirements are in the dry, cool area and those available in such regions are not suitable.

There is no duplication of the germ plasm bank now contemplated, by existing storage facilities in the United States. However, to keep the record straight, the Plant Introduction Section of the Department of Agriculture has a small, well-built storage facility of limited capacity at Glenn Dale, Md., where the newly introduced seed from all over the world is stored when it arrives. This small building was built a few years ago, and although already crowded it shows the advantage of proper seed storage. Germination is maintained at high levels for longer periods, thus reducing the cost of maintenance by greatly lengthening the time between replantings.

All State and Federal experiment stations have some type of seed storage. A few are for special crops but mostly they supply general storage and contain many genera. In most cases the storage is not adequate or properly equipped but the operators do the best they can to maintain the germination of the seeds now being used in the breeding programs. These storage facilities should be improved and will be continued for use by scientists in their year-to-year working programs.

NO DUPLICATION OF EXISTING STORAGE

Seed material used to solve current problems or those of the foreseeable future amounts to thousands of different lines. With the constantly shifting problems the scientists must decide which hybrid

lines to keep and which to discard. These decisions must be made on the basis of their present breeding program and not on future needs.

Hundreds of lines possessing different combinations of characters may come from a single cross. No institution has the physical facilities or men to maintain a germ plasm bank which will protect all our valuable and often irreplaceable plant material for future generations. Therefore, we repeat, the proposed national seed storage facility will in no sense duplicate existing seed storage.

GERM PLASM BANK GIVEN HIGH PRIORITY

For several years many national organizations have recognized the need for such a national germ plasm bank. It has received high priority on the recommendations of several of the agricultural advisory committees, but neither the Department of Agriculture nor the Bureau of the Budget has permitted it to appear in the agricultural budget. As far as the Department of Agriculture is concerned, their expenditures for buildings are limited to $25,000, and while they admit the present need for such a seed storage facility as has been described, they have thus far neglected to include the item in their budget request. Among the many organizations supporting the above project are: National Research Council, American Society of Agronomy, American Society for Horticultural Science, Grain Improvement Council, National Wheat Growers Association, Beet Sugar Development Foundation, American Society of Sugar Beet Technologists, American Seed Trade Association, Northwest Crop Improvement Association, Pacific Northwest Crop Improvement Association, State crop-improvement associations, North Dakota Farm Bureau Federation, Soil Science Society of America, Rust Prevention Association.

I want you to know that the industries represented by the Grain Improvement Council appreciate the increases you have been allowing for agricultural research in the past few years. I don't know whether you realize it or not, but the research worker at the field level is a long way from you people, and to get the story of what they need and what is needed in research at that level takes considerable effort, we feel we are justified in bringing to you some of the information regarding the soft spots in research, where we feel more research can be done.

To give you an illustration of what you have done in the past few years, you know that in the period 1940 to 1950, the cereal office, the former Bureau of Plant Industries, lost 40 research men. Lost them in a period that was very important to the development of cereal crops in America. Since Congress began to appropriate more adequate cereal research funds in 1952, 104 additional research positions have been created in this branch. Ninety percent of these men are now out in the field—in the field and not in Wtshington, doing the jobs that need to be done. Gentlemen, we in industry really appreciate what you have been doing to advance this field of research.

When the problem of 15B rust, stem rust, exploded all over the country, I was astonished to find that of the large number of collections that had been brought in from every corner of the globe by our plant

explorers only about 60 or 65 percent of those varieties were still in existence. I asked, "What happened to them?"

"Well, they lost their viability, and they are gone."

"Why weren't they taken care of?"

"No facilities to take care of them."

I found, after looking into the situation, that the agronomists and the national societies having to do with plant breedings and genetics had been talking about the need of a national germ plasm bank for several years. The need for such a facility struck home because many of the genes that would provide what we need for resisting the many races of rust were gone. Some had been collected from behind the bamboo curtain and the Iron Curtain. We can't go there now, and those varieties are lost and the genes for rust resistance they carried are gone.

That is the reason why we are supporting this year the need for a seed storage facility that will take in all seed crops, regardless. All crops that have seeds and are propagated by seeds. A small quantity of those seeds will be stored in this proposed facility under the proper temperature, moisture, and humidity condition, and regrown, as necessary. The germination may go down to a certain point, and then those seeds will be taken out to the plant breeder in the section where that seed is a problem. Cotton in the South, peanuts in the South, alfalfa in the West, types of grains wherever they are grown. Tobacco in Kentucky, and other seeds where they are grown, so that the breeders who are best acquainted with the particular crop and know what factors to recognize when they are looking at plants in the field, will be able to propagate that seed and send back a small quantity to the germ plasm bank. Only a few ounces of some seeds and a pound of two of others will be necessary to have the seed storage carried on over the years.

It is proposed that you gentlemen amend the agriculture bill as it now exists, because there is no item in the agriculture bill as it now exists to permit the building of this building—and it is estimated to cost $450,000. It will be necessary to have $100,000 for the maintenance of a staff and the regrowing of the various lines of grains and seeds as necessary to maintain their viability. The $100,000 will be a recurring item.

Mr. ANDERSEN. Let me understand you correctly, Mr. Fletcher. You say it will cost originally about $400,000 for construction?

Mr. FLETCHER. $450,000 for the construction of the building with the necessary humidity and temperature controls.

Mr. ANDERSEN. That includes all necessary apparatus and equipment?

Mr. FLETCHER. All apparatus; yes, sir.

Mr. ANDERSEN. And it will mean approximately $100,000 for annual upkeep?

Mr. FLETCHER. That is correct.

Mr. ANDERSEN. In the line of personnel?

Mr. FLETCHER. That is right; personnel plus the regrowing of the lines as the germination drops. And this appropriation we suggest to be made in addition to, rather than in lieu of, any funds that are now in the budget.

Mr. ANDERSEN. I asked this question of the previous group who were in here who were requesting a consideration for an addition to

the Winter Haven laboratory in the citrus industry in Florida. I requested of them information on whether or not they had approached the Bureau of the Budget in relation to this problem. Have you done so in connection with this seed storage laboratory, Mr. Fletcher?

Mr. FLETCHER. That is true, we have not as a group approached the Bureau of the Budget regarding this matter, but it is my understanding that in past years this item has been rather high on the priority list of the advisory committees of the several committees—the seed committee, the grain committee—and it was suggested to the Department of Agriculture. I am under the impression that they presented it to the Bureau of the Budget but, because of ceilings, were not permitted to include it.

Mr. ANDERSEN. That was about the answer we got from the other group. I think both projects are very worthy, however, but I do feel that new projects of this nature should first be authorized by the legislative Committee on Agriculture.

Mr. FLETCHER. Thank you very much. That is my testimony, and Dr. Robertson will proceed with his statement.

Mr. ROBERTSON. I represent the standing committee of the new crops project, and also the agricultural college. I would like to reemphasize some of the material Mr. Fletcher has brought out.

There are many things which we want and can get along without. There is one item, however, which we don't have and which, as a country, we have waited far too long to establish.

That project is a national seed storage facility. Such a facility is nothing more than a properly designed building to catalog and store the seed of farm crops, vegetable crops, fruit varieties, and other species we will need for breeding new plants.

This seed vault must have personnel for its operation. It should be in a relatively cool, subhumid area, since these conditions favor long storage life for seeds. It should include fields and greenhouses for seed production in order to renew and replace stored seed which is losing viability.

Here's why such a storage place is needed. At the present time, seed storage of this kind is no one's responsibility. A few experiment stations and a few USDA workers are the only people who are making an effort to keep alive certain older crop varieties for which a very definite need can be seen.

There is no agency charged with full responsibility of keeping alive a larger reservoir of plants which may have future value for plant breeding purposes. As a result, many valuable sources of parent material have already been lost to us for all time. An unknown number of crop varieties which we might have developed from this reservoir will never be available to American farmers.

For example, several introductions of alfalfa didn't look good to us several years ago. We didn't know then that they had certain qualities we were going to need for breeding purposes at a later time, which is now. We didn't have a way to keep them and they were discarded. Because their only natural source is behind the Iron Curtain, they cannot be replaced.

A crop worker made a small collection of cottons in Acala, Mexico, in 1906. No one thought much of the collection at the time, and it was only through luck that it was preserved. A single selection--

Acala 4–42—developed from this same collection was worth $300 million to California farmers in 1952. If cotton breeders had let this parent material slip away, we wouldn't have this highly productive strain today.

A farmer in South Carolina found a soybean he liked, and he kept on growing it after everyone else had discarded it. How it had reached his farm no one knows—apparently it came out of a test plot of soybeans introduced many years ago. Had luck been against us, this strain would have been lost and with it we would have lost the only source of resistance to bacterial pustule disease we now have. This strain made it possible to develop the new pustule-resistant Lee soybean.

Many native range grasses are being overgrazed by constantly increasing numbers of livestock. The grazing is destroying palatable forage crops. In some cases, certain native grasses have been entirely lost. No effort is being made to preserve plants which in time may have almost priceless value for those who must rely on range forage.

These are only a few examples of why a national seed storage facility is needed. Nearly everyone who reads this can add more good illustrations and visualize still others which may have gone by unnoticed.

In a national seed storage facility, the main emphasis would be on the preservation of seed stocks which have potential value for future crop breeding work. The selection of seeds to be placed in storage would be made by a national committee of plant scientists.

The cost of constructing a national seed storage center in the West is estimated at approximately $450,000. This estimate covers storage rooms with humidity and temperature control, laboratories for research on the viability of seeds, and facilities for necessary staff. Operating costs, including salaries, maintenance, and contract funds for renewing breeders' seed as necessary, would run about $100,000 a year.

Many national organizations have recognized the increasing need for seed storage facilities. They have urged that national facilities be established and maintained. The need is becoming more acute every year.

In oats, 50 percent of the oats that have been brought into the country have been lost. In soybeans, there were 8,000 lots brought into the country, and we now have 2,700. When you go to other crops you find the same situation. We have lost a high percentage of the material that has been brought into the country, not because people were not interested in it, but simply because there was no facility to take care of that seed when it was not necessary immediately for the breeding and improvement programs.

There is an old saying, "What's everybody's business is nobody's business." We think we should have a national seed-storage facility whose main object would be to take care of these various stocks, when they come into the country, when the breeders have been using them. Old stocks that have been used years ago and that are not in use now, and some of our primitive species which may have resistance to some of the various diseases and conditions we are liable to run into in the future, if we are to keep up our production to meet the demands before us. When we lose this stuff, we do not recover.

I can cite a few examples: Many of you probably remember that your dad or your grandfather had a pet watermelon or muskmelon

that he liked, and he got it from a seed company. Nobody was responsible for it, and I imagine if you tried to get that particular melon now, no seed company would have it to furnish you. It's gone.

The statement has been made that the flavor of many of our old cantaloups and watermelons is gone. We do not have those old seeds or stocks to determine whether we have lost the flavor. The breeding has been toward material that would ship. In getting shipping material in many cases it is believed that the flavor has been lost, but we cannot prove it because we cannot go back and get the old original nonshipping varieties that we used to think had an excellent flavor. That will hold in practically all of our crops.

There are characteristics that we have been using that we have lost, just simply because there is no central place where we can store this stuff, when a station is through working on a particular problem.

Let's say we have rust. We are all working on material for 15–B, in order to get resistance into the commercial varieties. Some other form may come up. When that other form comes up, we will be wokring with material that had resistance to that particular form and we may forget about this 15–B resistance. Then the stocks with that resistance may be dropped because we hayen't enough storage space to take care of the material at various different stations.

If we had a central-storage facility, all of that stuff could be put in there when it comes into the country, and could be held here so that at any future time if we wanted to go back and get that material to breed in some characteristic that we needed, we could go back there be assured that they have that material for us. At the present time we are never certain where we can get old material that we used once and that we know has some of the characteristics that we want to breed into our particular crops. For that reason, I believe that the sooner we can get this facility for seed storage, the more material we will have to put into it. The longer we wait, the more material will be lost that we will be unable to recover for use in our breeding programs.

That essentially is the statement I would like to make.

Mr. FLETCHER. Mr. Heckendorn of the American Seed Trade Association.

Mr. HECKENDORN. I am the executive secretary of the American Seed Trade Association with headquarters in Chicago, Ill. I used to be in Washington, D. C. I recall back in 1944 or 1945, along in there—I forgot just the years—but I used to come in here and talk to you gentlemen. A situation existed during the war when we didn't have enough red-clover seed to go around. You will remember the situation very well. I need not go into it, but we put up an appropriation. We appropriated funds of $12½ million for 2 years to go around harvesting the fence corners so we might have enough seed. There was $25 million poured down the rathole and we hadn't solved anything. So we did come back later with a research project which we introduced before we had the Research and Marketing Act. You acted favorably upon that and it has contributed remarkably to the production of seed. Where we were getting very low yields on some of our seeds, we materially stepped up the yields.

I thought then that that would be the solution to all the problems and I would not be called upon to bother you gentlemen any more. I am certainly happy that I am not sitting here with all of these

documents before me and having to decide which of these projects you are going to pass upon and which you are going to have to turn down. So, what I say will certainly be just information that I hope you make use of and will be helpful to you in making your decision.

My first contact with this was during the agronomy meeting at Penn State College some years ago. At that time, I took the message back to our board of directors and reported to them that here was something I thought we ought to be interested in, in supporting the American Society of Agronomy and these groups that were really looking to the future. Our board acted favorably upon it and they have since acted favorably upon it.

Now, we perhaps don't think of this, but perhaps in the end we will all admit that seed is our greatest heritage. We never put it out in just that way because we always think that it is available and we are going to be able to produce a crop regardless of what may come. But we just have to remember that we can have all of the elements including stone and water and soil, in ideal proportions, but without seed we still grow no crop. So we are looking to the future. Since we know that we have already solved some of our problems, because we have been able to go back and pick up some of these old stocks which have been discarded, but fortunately somebody carried them along—there is a wonderful example in this brochure, here, on cotton, where cotton, a variety that was grown in 1906, if somebody had not preserved that particular variety of cotton and brought it forward no telling what would have happned to the particular cotton industry, especially in California, today.

That is merely an example of what can be done when you carry these stocks forward.

All seed is, in a sense, a living organism. They have their genes and their genes separate and, by the use of plant breeders, plant breeders are able to isolate certain genes and they are able to combine them with other genes and bring out something which a few of them call a creation, but they create nothing. They merely discover what God alone put in that seed and by his process of elimination, he is able to isolate one good characteristic here and another good characteristic there, and by crossbreeding bring out something that is really better.

I often think how wonderful it would be if we just had the surpluses that are bothering us so much today, say in the year 1975. With a 200 million population, which is now forecast at that time, what a wonderful thing it would be if we just had this to be able to use them. But we don't know. Our acreage, I am sure, is not going to expand. I presume the day will come in this country when we may even take up the question of hydroponic farming. I assume that may come because our population is going to increase. It has already set the pattern. It is constantly increasing.

When we went into Japan following the taking over of the country, for a number of months we set up hydroponic production of vegetables and we were flying to Korea every day flight loads, many of them, flight loads of vegetables that were produced hydroponically.

Now, after we had finally materialized the soil, then, of course, we went back to the use of the soil. But the hydroponic production is a method whereby you grow the seeds in gravel and you feed a plant food, a solution, constantly, through there, to furnish the plant food for the growing plant.

Mr. ANDERSEN. I think you are absolutely right when you say the time will come when we will be forced to enter into that sort of agriculture because as you have said, we are going to be short about 115 million acres in production by 1975. It is estimated that only 45 million acres of needed land for production will be available through research and stepped-up production. Just where we are going to get the other 70 million acres is, according to testimony given before our subcommittee as you will recall, Mr. Marshall, very doubtful. It is a question of where we are going to find this additional food, gentlemen, except from other countries. By 1975 we perhaps cannot feed our own people. We are blessed at present with sufficient food and yet there are many who are so shortsighted as to consider our abundance, a temporary surplus, as a curse. We should consider ourselves to be very fortunate in having our reserves of food.

Mr. FLETCHER. We are mighty lucky.

Mr. ANDERSEN. You bet we are lucky. Forty million more people in our Nation in 15 years, as anticipated by 1970, will give us real headaches as far as food production is concerned.

Mr. HECKENDORN. I only meant to resort to that as a possible way that we would have to get more food, but when we reach that age, then we are going to have another problem. We are going to have the problem of having seed that is adaptable to that type of production if we ever get there. We don't know. It may be in the stocks that we are using today from which we will get the germ plasma that will be carried forward into that type of production.

There is a rather complicated picture. It is a picture which I believe the public generally would be interested in. We are thinking about the people who are going to live in this country, not tomorrow, but years hence. And as we think about those people, we, I think, just carry in our mind that they are going to live as well as we are. What are we doing, now, to make sure that they are going to live as well as we are? I believe a lot of it rests upon our being able to maintain seed stocks that will permit an expanded production, even from the present acreage that we now have.

Well, gentlemen, I don't believe I need to go into this any further. I had other points I wanted to cover, but I know your time is limited and Congressman Andersen here has already indicated his knowledge of the thing and his interest in it and I am perfectly willing to leave it up to you gentlemen to do what you think is right.

Mr. NATCHER Mr. Fletcher, I wonder if you would present the next gentleman at this time.

Mr. FLETCHER. I would like to present Mr. Dallas Western, of the Quaker Oats Co.

Mr. WESTERN. I am appearing here as a representative of the Grain Improvement Council, an organization of commercially sponsored agronomists. I am employed by the Quaker Oats Co., Chicago, Ill., as director of grain development and agricultural relations.

In the past, my appearances before you were for the purpose of asking for overall increases in appropriations for research to all of the crops coming under the Section of Cereal Crops of the Agricultural Research Service of the United States Department of Agriculture.

In coming before you at this time, in consideration of grain crops, we are asking for additional funds only for the oat-improvement

work. This consists of the $50,000 that is included in the USDA budget estimate for 1956.

Let me divert from my prepared statement for the record. I wish to here inject our full support of the seed-storage facility that has been discussed by the gentleman preceding me, and also for the increase proposed for the forage crops which will be discussed by the gentlemen who follow me.

This amount of $50,000 appeared to be the minimum necessary for an expanded, cooperative, coordinated oat improvement program that would allow us to maintain and increase the production, quality, and value of the national oat crop.

Contrary to general opinion, the national acreage is on the increase due primarily to their increased use for pasture and forage and to information recently disclosed that oats contribute vital elements to rations for dairy animals and poultry. Oat seedings for all purposes during the fall of 1953 and the spring of 1954 were estimated at 47,300,000 acres. This was 8 percent above 1953 and the largest on record. Even with these large acreages, the oats carryover each year is small, and the amount held by CCC is practically nil compared to the two superior-ranking crops—corn and wheat.

We do, however, have some very serious problems facing oats. The principal factors limiting oat production and quality are diseases, especially the rusts, other leaf diseases, and root diseases. Losses in 1953 and 1954 from rust alone totaled more than $150 million in the 3 States of Iowa, Minnesota, and Wisconsin, as a result of races not previously prevalent. Stem rust was the most damaging in a quarter of a century and crown rust in a decade. More virulent rust races are known to be present in the United States. Other new destructive diseases in recent years include Septoria, red leaf, and other virus diseases, and Helminthosporium. Losses from Septoria alone amounted to $25 million in 1951.

The Federal oat-improvement program is being directed toward obtaining oats adapted to each area that have resistance to virulent races of the rusts and other diseases and then to get these new varieties onto the farms at the earliest date possible. In addition to disease resistance, further objectives include developing oats that are higher yielding, and having improved quality and stiff straw for spring seeding and for fall seeding—the latter with adequate winter hardiness and suitable for pasture production.

We would like to mention here that farmers across southern Illinois and Indiana and adjoining areas are planting each fall some of the more hardy strains of winter oats. They fully expect 2 crops out of every 5 to be winterkilled. If the crop comes through, it will generally yield from 75 to 100 bushels per acre of high-quality oats. If they fail, the acreage can be planted to some other spring planted crop. What a boon it would be to agriculture if winter-hardy strains could be developed to do the same thing for farmers, ranging up to 200 miles farther north, where spring planted oats seldom make a crop.

Proposed use of increase budgeted for fiscal year 1956: We believe those in charge of the Federal oat project have made tremendous progress with the funds provided to them. To make a completely balanced program, an increase for the oat investigations of $50,000 is essential

for strengthening the existing program and for initiating the following new phases of research.

Further studies must be done on the identification and control of virus diseases of oats. There is evidence virus diseases may be responsible for some of the so-called running-out of oat varieties. Modern wheat improvement received its first real impetus when McFadden crossed wheat with emmer. Recent studies indicate similar progress is possible in oats. An intensive effort should be directed toward such an objective in oats. Since oats are widely used as a nurse crop for grass-legume seedings on high-fertility soils, resistance to lodging becomes a major problem in an oat-improvement program.

A search should be made for new sources of stiffer straw, and studies made on the structure of the oat stem as related to lodging resistance. The prevalence of new diseases and new races of old diseases has necessitated the use of practically all available funds and manpower on disease control. Consequently, new studies should include such characteristics as maturity, height, number of leaves, size of heads, weight of grain, and so forth. These yield studies are most urgent. We wish to reemphasize the tremendous possibilities of winter oats and particularly in the development of varieties having greater winter hardiness. From the small amount of money expended on winter oats a tremendous increase in acreage and production has resulted, but much new research needs to be done on improved varieties for winter grazing, and forage as well as grain production for the south and central sections of the country.

In closing, let me say that farmers everywhere are literally standing on the front doorsteps of our experiment stations waiting for new oat varieties which are resistant to prevalent diseases, new varieties which will have stiffer straw and greater yield, and last but not least, new and improved strains of winter oats. This fundamental research is something a farmer cannot do, and he rightfully expects the Federal and State experiment stations to do it for him. Surely, if research will uncover the facts, our farmers will do the rest. We, therefore, ask your approval of an increase for oats of $50,000, that is included in the USDA budget estimate for 1956.

We wish to thank you for allowing us to appear here today. It is appreciated very much.

Mr. NATCHER. Thank you, Mr. Western, for a fine statement.

Mr. ANDERSEN. Mr. Western, do you know whether or not the experiment stations intend to use a portion of the additional funds requested in this year's budget for work of this nature?

Mr. WESTERN. No, I do not know.

## Forage Crops Research

Mr. Fletcher. May I introduce a group who are here in favor of added research for forage crops. I might say that each year I probably spend 4 to 5 months in the field, from Mexico throughout the central part of the United States and on up into Canada. Forage research is largely a regional problem and for years has been understaffed and underfinanced. May I introduce Dr. Howard Sprague.

Dr. Sprague. I am head of the agronomy department at Penn State University. I am appearing here on behalf of the National Joint Committee on Grassland Farming. I would like to file my statement and make a few brief comments.

Mr. Marshall. That will be fine. Please proceed.

(The prepared paper of Dr. Sprague follows:)

The importance of grasslands may be estimated from several points of view; I, the area of effective land occupied; II, the support given to the livestock industry and III, their significance for conservation of soil and water and their contribution to permanently productive agriculture.

*I. The area of effective land used for harvested forage, pastures, and range in the United States*

Table 1.—*Land use*

| | Millions of acres | | |
|---|---|---|---|
| | 1930 | 1940 | 1950 |
| A. All harvested crops, except forage | 345 | 326 | 335 |
| B. Total grasslands; hay, pasture, range | 969 | 1,016 | 984 |
| 1. Lands harvested for hay or grass silage | 68 | 73 | 74 |
| 2. Grazing lands: pastures and range: | | | |
| (*a*) Land in farms: | | | |
| (1) Pasture and grass range | 379 | 461 | 485 |
| (2) Pastured forest and woodland | 85 | 100 | 135 |
| (*b*) Federal and State lands: | | | |
| (1) Pastures and range | 437 | 382 | 290 |

From Journal of Agricultural and Food Chemistry, vol. 2, pp. 1064-1066. 1954.

Approximately 1,320 million acres constitute the total available land area used for all types of agriculture (excluding forestry). In 1950, 74 percent of this land was occupied by harvested forage, pastures and range.

*II. Contribution of grasslands to support of livestock*

The agriculture of the United States makes effective use of livestock, and the food habits of this Nation have steadily changed in recent decades in the direction of supplying an increasing proportion of the human food requirement as meat, milk, eggs and related products. The extent to which livestock production depends on forage is not readily determined since the Bureau of the Census does not record any production data on the 910 million acres of grazing lands harvested by livestock from the standing plants. This deficiency in the censusing of our agricultural economy is a serious omission and should be corrected. In the absence of direct data, the contribution of grazing lands may be calculated as follows—(*a*) minus (*b*) equals (*c*):

(*a*) Total feed requirements of all domestic livestock minus (*b*) feed supplied by grains, milled feeds, and concentrates equals (*c*) feed supplied byharvested forage and grazing lands.

When all feed units are expressed in terms of total digestible nutrients (T. D. N.), using generally accepted standards and tables, this analysis of the situation for the latest census year (1949) is as follows:

TABLE 2.—*Total feed requirements and feed sources for all domestic livestock, United States farms, 1949*

| | *Billions of T. D. N.* |
|---|---|
| A. Feed requirements: | |
| Beef cattle and beef | 423 |
| Dairy cattle and milk | 192 |
| Hogs and pork | 199 |
| Poultry and eggs | 58 |
| Sheep and goats | 36 |
| Horses and mules | 49 |
| Total | 957 |
| B. Feed sources: | |
| All feed grains | 293 |
| Mill feeds and concentrates | 26 |
| All hay | 99 |
| All silage | 7 |
| Total | 425 |
| C. Range and pasture: Balance not supplied by harvested feed | 532 |

Source: Journal of Range Management, vol. 5, pp. 26–270, 1952.

From this analysis it appears that hay, pasture, and range supplied about 65 percent of the total annual feed requirement of all domestic livestock.

*III. The conservation value of grasslands*

The conservation value of grasslands is becoming well known, not only in the humid eastern half of the United States but in the less well-watered western portion of the country as well. Although the mere presence of grass does not constitute conservation, when properly managed the grasslands used for hay, silage, and pasture are exceedingly effective in controlling soil and water losses, and in restoring the soil's capacity to take in and store moisture for use by other crop roots. Perennial grass and legume roots are effective in increasing the porosity and ventilation of the soil for all vital activities of the crop roots, and for the activities of beneficial micro- and macro-organisms of the soil. Well-balanced farming systems include grass sod for one-fourth to three-fourths of the crop rotation cycle, depending on local conditions. In general, no satisfactory field methods have yet been devised for maintaining soil structure and productive capacity, combined with control of soil erosion losses and conservation of rainfall, that do not include appropriate use of grass sod for 1, 2, or 3 years in each cycle of rotation on arable land.

The test of time has either disproved or cast grave doubt on soil-management systems that fail to include grass sod in the rotation. Some of our inherently fabulously fertile soils that have continued to produced tilled crops for many years in succession eventually lost productivity capacity until the use of grass has become necessary for profitable farming on a sustained basis. Lime, chemical fertilizers, and soil amendments are not substitutes for grass sod, nor for the physical and biological improvements in the soil which perennial roots and associated micro-organisms produce. The reclamation of Dust Bowl and wornout soils of subhumid areas, and the restoration of badly eroded and depleted soils of humid areas requires above all else the use of perennial grass-legume sod. Such grassland may be utilized either for pasture and range or for hay or grass silage.

The benefits to be derived from a sustained and well-balanced research program on forage plants for hay, silage, pasture and range, are as spectacular and significant as for any type of harvested crop. Grasslands occur in all parts of the country and involve practically the entire range of soil conditions, climate and type of farming and ranching found in the 48 States. To realize the vast potentialities of a more productive and permanent agriculture through forage investigations will require research to produce superior strains of the best species and the development and testing of management programs to fully utilize these superior plants and practices for more efficient livestock production. We should expect to greatly improve on the present day status, much of which is still based on trial-and-error methods, as to choice of species and strains, establishments, fertilization, grazing, harvesting, haymaking and grass-silage preservation. Critical research in the several aspects of forage production and utilization should reduce failures and increase the stability of livestock farming, as well as increase the attractiveness of good conservation measures.

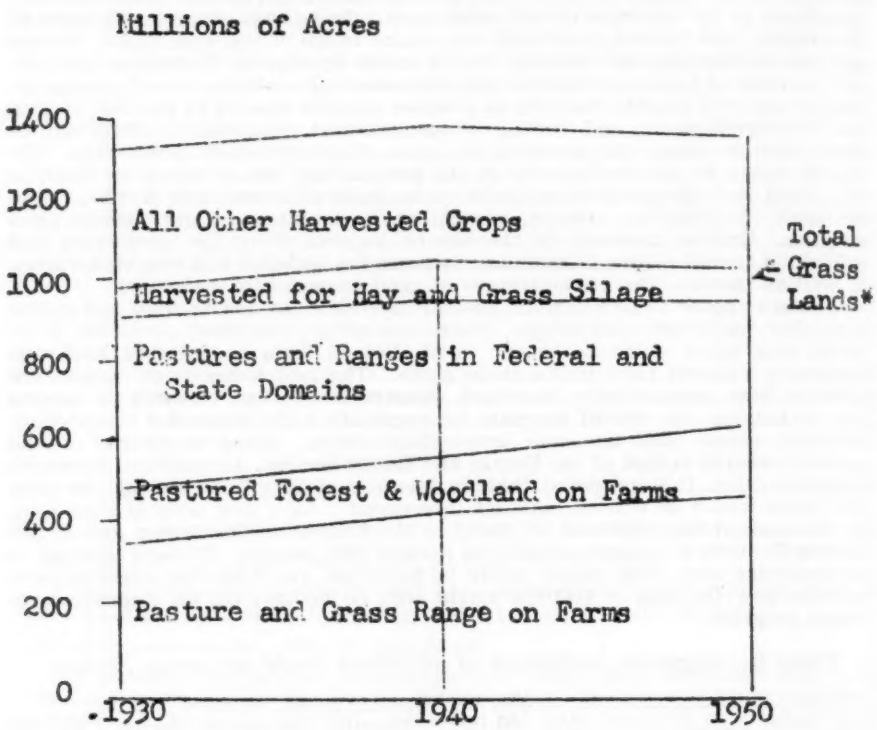
It would appear to be a serious mistake to reduce the research on our grains and other harvested cash crops. There are many important problems to be solved and much economic benefit to be derived from a sustained and well supported research program on those crops. The best interests of agriculture indicate that substantially increased support for forage research is needed also be balance the overall program by augmenting the funds for research on pastures, range, and hay and grass-silage crops. From a review of the present research budget of the Forage and Range Section, Agricultural Research Administration, it is proposed that an increase of $3 million during the next few years would be a good national investment. As a first step in that goal, we recommend that $600,000 be added to the budget of the Forage and Range Section for 1956, as compared with the present 1955 budget. Without wishing to predetermine how these funds would be allocated, the following schedule will indicate how the sum of $600,000 might well be utilized for an intensified research program.

TABLE 3.—*Suggested application of additional funds for forage research*

| | | | |
|---|---|---|---|
| Alfalfa | $50,000 | Brome grass, orchard grass, timothy, blue grass, fescue | $50,000 |
| Red clover | 40,000 | Wheat grasses | 30,000 |
| White clover | 30,000 | Bermuda, Dallas Bahia, and Johnson grass | 30,000 |
| Crimson, Persian, and similar clovers | 30,000 | Plains grasses such as bluestem, grania, switch, Indian, lovegrass, etc | 50,000 |
| Lespedeza, lupines, and trefoils | 50,000 | Annual grasses | 20,000 |
| Alsike, strawberry, kura and sweet clovers, vetches, astragalus, etc | 20,000 | Grass subtotal | 180,000 |
| Legume subtotal | 220,000 | | |
| Establishment, management and production practices for humid grasslands | | | $100,000 |
| Establishment, management, and improvement of native and reseeded rangelands | | | 100,000 |
| Management subtotal | | | 200,000 |
| Total, all forage research | | | 600,000 |

We are interested in all phases of agricultural research. We do not believe that other valuable research should be discontinued or hampered in order to provide increased support for forage research. Instead, we recommend that an additional $600,000 of research funds be allotted to augment forage research by the Forage and Range Section, to provide a better-balanced program in support of the agricultural economy.

TOTAL LAND UTILIZATION IN THE UNITED STATES




*Excluded from these acreages are crop land on which livestock graze to consume crop residues and aftermath growth.

Dr. SPRAGUE. There are three ways in which we can approach this problem of how important the grasslands are in our whole agricultural economy. The first of these is land use, that is, the way in which our land is used in all forms of agriculture.

Second, the support our grasslands give to the livestock industry.

Third is the significance of these grasslands in soil conservation and in maintaining a permanently productive agriculture.

I have presented some data on the first point; the area of effective land use.

In 1950, according to the census, we had 335 million acres devoted to all harvested crops except forage and 984 million to harvested forage—hay and grass silage—and to pasture and range which are not harvested by man.

In other words, about 74 percent of our effective land, excluding forests, are occupied by these grasslands. Now the second point is perhaps more pertinent and that is what are these grasslands contributing? As you know, the food habits of our Nation have been going more and more in the direction of meat, milk, eggs, and related products and grasslands are essential for the support of that type of agriculture.

The records as to how much these grasslands are providing are not very satisfactory because the census procedures only cover crops that are harvested by man. If they are harvested by animals, no record is made of that production. I have had to get this information by indirect means which I cite in some detail, if you wish to go into it.

The procedure is very simple. We know how much it takes in the way of feed nutrients to produce beef, milk, eggs, and other livestock products and to support the animals who do these things. I have taken the census of all of the livestock and their products and determined from the feeding standards which were available the total feed nutrients which must have been consumed. That comes out to be 957 billion of total digestible nutrients.

On the other hand, I have calculated from the available records all of the nutrients supplied by feed grains and concentrates, such as cottonseed meal, soybean meal, and so forth, and the byproducts of the milling industry which go into livestock feed. Then I added on the hay and the silage and altogether it comes to 425 billion of digestible nutrients, leaving a balance of 532 which must have been supplied by feeds which the livestock harvested themselves. In short, about 65 percent of the total combined feed requirements of all domestic livestock came from forage crops, a very sizable proportion.

Now the third point on the conservation value of grasslands. That is pretty well known, I think, to this committee, because of the support which has been given to the conservation movement. You are quite well acquainted with the fact that this problem is universal and nationwide. It isn't just limited to one area. In all areas we are concerned with grasslands because we have found there is really no substitute for these grasslands so far as conservation of our soil and water resources is concerned. Of the means by which man can improve the water-holding capacity of the soil, the capacity of the soil to take in water, and the means by which man can change soil structure, grass is the best of all. We haven't found any substitute for grass. So our best conservation systems require that we have grass in the crop rotation from a quarter to a third and sometimes half the time. Then there are areas where we have found it necessary to put the land in grass permanently as a means of making most productive use of that land without danger of losing it through erosion.

Now the benefits that might be derived from support of a research program I think have been very well demonstrated by what has been done in recent years with money you have appropriated for some of these specific problems. I could cite some of them. For instance, in alfalfa, we were threatened at one time with the loss of alfalfa as a major hay crop in this country because of alfalfa wilt. You appropriated money for research on this problem and as a result, certain varieties were developed which were high yielding, well adapted, and wilt resistant. I think it was a wonderful return from the investment of Federal funds which you provided.

I can cite many other illustrations. I will take one other area: In the Deep South, you appropriated money for research on breeding of grasses. Out of that program, that you have continued to support, we have coastal Bermuda grass, Swanee Bermuda grass, and Tift Sudan grass. It is a very, very fine return for that investment. The same type of returns, I think, can be expected from an expanded

research program. The problem with the forage crops is complicated because we have more than 100 different species involved and we need to have some work on each of these from a breeding point of view.

Then in addition, the management of these various kinds of forage plants, whether they are for range, pasture, or hay, whether they are adapted to the North or to the Far West or the Deep South or the North Central States needs investigation for each area and use. In order to make our grasslands fully productive and make them contribute to the permanently productive agriculture which we need, we need the results of research on these problems.

We have examined the situation and would like to suggest that an increase in funds for research on this very vital part of our economy would be another very fine investment. Looking toward an actual figure, we thought that eventually we ought to increase this investment by as much as $3 million, but that is not immediately possible, feasible or desirable.

We felt 20 percent of this amount might be used effectively during the coming year. That would mean an increase of $600,000 to the appropriation of the Forage and Range Section, Agricultural Research Service. I have suggested, without meaning to indicate how the money must be spent, how this increase might be divided on page 4. In summary, I'd say, we propose that perhaps $220,000 would be added to the appropriation for legume research, about $180,000 for the various grasses, about $100,000 for the management aspects in the humid areas of the country and about $100,000 for the management aspects of the subhumid and less well watered areas, making a total of $600,000.

Now in making this request for additional support for the forage work, I would like to state very clearly that we recognize the importance of the other research that needs to be done. We are particularly aware of the need for research with the grains, with cotton and with the other major harvested crops. We hope, therefore, that this request will not be interpreted as meaning we think there should be any less for those other important problems, but rather we hope it may be possible to put this as an additional investment in the future by research in forage crops.

That is all I have.

Mr. MARSHALL. Thank you, Dr. Sprague.

Mr. ANDERSEN. I might say, Doctor, very few people realize the total gross income in the United States of America from beef, livestock, eggs, poultry, and such. It is a considerable amount. I believe up around $20 billion annually, gentlemen. A business of that size justifies certainly the consideration which you ask for.

Mr. FLETCHER. Mr. Lloyd Arnold is a seed grower from California.

Mr. ARNOLD. My name is Lloyd E. Arnold of the Arnold-Thomas Seed Service, of Five Points, Calif. I want to wholeheartedly support the recommendations for these increased funds which Dr. Sprague has so ably covered, forage and forage research.

During the past several years, I have traveled rather extensively throughout the United States with the primary objective of determining the performance and potential use of seed of improved varieties of alfalfa and other grasses and legumes.

I have met with research and extension personnel of the colleges and universities, the USDA, seed certification officials, seedsmen, representatives of other agricultural industries, agricultural magazine editors, and leading farmers in each State visited.

My observations in the course of those travels and discussions led me to the following conclusions:

1. The improved alfalfa varieties, imperfect as we know they are, are finding widespread and enthusiastic acceptance by farmers in areas in which they are adapted. This conclusion is confirmed by the fact that during the past 6 years the percentage of the total alfalfa acreage planted to certified seed of these varieties has increased at almost exactly the same rate as use of hybrid corn increased during the 6 years following 1937.

2. These new varieties are making important contributions to yield and dependability of alfalfa and therefore are leading to increased use of this important crop. Acreage of alfalfa has increased from 14,669,000 acres in 1948 to 22,996,000 in 1954, an increase of 57 percent.

3. Disease and insect losses in hay, pasture, and range production total more than $1 billion annually. Farmers and others interested in agriculture are anxiously waiting for better alfalfa varieties with, for example, resistance to the leaf and stem diseases, and for improved disease and insect resistant varieties of other forage crops such as birdsfoot trefoil, red clover, ladino clover, and so forth. The results that have been obtained with alfalfa can be duplicated with each of the other major kinds of legumes and grasses provided adequate funds are available for research.

4. The funds available for forage crops research are simply not adequate for a task of such magnitude. This is evident from the appropriations available to the Forage and Range Section, Agricultural Research Service, for work on breeding of the various important grasses and legumes and for research on forage and range problems. This information received in reply to inquiries from the Agricultural Research Service is given in the following table:

*1955 Agricultural Research Service budget*

| Crop: | *Amount* |
|---|---|
| Alfalfa | $123,600 |
| Red clover | 21,330 |
| White clover | 6,880 |
| Crimson clover | 15,825 |
| Sweetclover | 12,380 |
| Subclover, Persian, rose, hop, and other annual clovers | 7,570 |
| Alsike, strawberry, Kura, zigzag, and other perennial clovers | 4,815 |
| Lespedeza | 21,030 |
| Lotus species (trefoils) | 18,930 |
| Lupines | 15,420 |
| Vetches and winter peas | 12,620 |
| Coronilla and Astragalus species | 2,100 |
| Brome grass | 19,090 |
| Bermuda grass | 14,435 |
| Orchard grass | 13,350 |
| Millet | 11,640 |
| Sudan grass | 9,930 |
| Crested wheat grass | 9,465 |
| Dallis grass | 9,155 |
| Sand bluestem | 8,845 |
| Grama grasses | 7,295 |
| Rye grasses | 6,985 |

*1955 Agricultural Research Service budget*—Continued

| Crop—Continued | Amount |
|---|---|
| Switch grass, Indian grass, and buffalo grass | $11,175 |
| Bahia grass, bluestems, and Johnson grass | 10,400 |
| Russian wild rye, tall fescue, and rescue grass | 8,845 |
| Wheat grasses, blue grasses, canary grass, timothy, green stipa, tall oatgrass, and Canada wild rye | 14,590 |
| Pasture and range establishment, management, and production practices, including hay and silage, humid area | 157,600 |
| Pasture research laboratory in the Northeast | 80,500 |
| Pasture and range establishment, management, and production practices, including hay and silage, arid area | 140,800 |
| Foundation seed project | 45,200 |

These items are broken down somewhat differently from the suggested increases presented by Dr. Sprague.

In contrast, the importance of the forage crops for hay, pasture, and range in terms of total acreage, use on farms, and farm value can be seen from the following table which I offer for the record:

PRODUCTION AND INCOME DATA OF IMPORTANT CROPS

*Number of farms and acreage growing specified crops in 1949 (census)*

| Crops | Number of farms | Acreage |
|---|---|---|
| Corn | 3,403,965 | 83,336,045 |
| Oats [1] | 1,390,835 | 35,331,447 |
| Barley [1] | 296,638 | 9,180,102 |
| Sorghum [1] | 330,280 | 10,069,390 |
| Soybeans | 605,888 | 12,265,557 |
| Wheat | 1,147,710 | 71,161,061 |
| Cotton | 1,110,876 | 26,599,263 |
| Hay (excludes specified annuals) | 2,721,026 | 65,635,943 |
| Cropland harvested (including other crops) | 4,734,398 | 344,398,550 |
| Pasture and ranges | 4,045,924 | [2] 1,020,000,000 |
| [illegible] | | |
| Total farms | 5,382,162 | 1,158,565,852 |

[1] Threshed only, or incomplete; sorghum for syrup excluded.
[2] Includes grazing lands not in farms.

| | |
|---|---|
| Farm value of 4 feed grains (1951) (corn, oats, barley, grain sorghums) | $6,428,115,000 |
| Farm value of wheat (1951) | 2,073,645,000 |
| Farm value of cotton (1951) | 3,303,627,000 |
| Farm value of soybeans (1951) | 769,926,000 |
| Farm value of all hay (1951) | 2,481,003,000 |
| Estimated value of pasture and range (based on hay values) | +5,000,000,000 |

I will only call your attention now to a few of these figures. Four farmers out of five depend on pasture or range for part of their feed supply. More than half of the farms produce hay. The combined acreage of hay, pasture, and range is more than three times that of all other harvested crops.

Because of these observations made by me and by many others, some of us have made a careful study of research accomplishments in forage crops, present status of forage research, and needs for support for additional research. We have prepared and published this booklet as a condensed report of our findings. With your permission, I would like to leave a copy with each of you.

Mr. MARSHALL. We shall be most happy to have it.

Mr. ARNOLD. I will only call your attention now to how one farmer uses forage crops efficiently and effectively. I refer to my associate, Mr. Sherman Thomas. He has kept fairly complete records of the

feed consumed and milk produced by his dairy herd of 500 milk cows. By using greater than average amounts of hay and pasture he has been able to reduce appreciably the feed cost per cow and per hundred pounds of milk produced. I have here a brief statement on this which could be inserted in the record.

Mr. MARSHALL. Without objection, it will be inserted.

(The illustration referred to follows:)

| | Method [1] A | Method [2] B |
|---|---|---|
| Daily t. d. n. | 25.70 | 25.50 |
| Percent from hay and pasture | 77.00 | 51.00 |
| Daily feed cost | $0.58 | $0.72 |
| Daily milk production (in pounds of 4-percent milk) | 36.70 | 34.00 |
| Feed cost per hundredweight, milk | $1.58 | $2.12 |
| Feed cost per cow per month | $17.40 | $21 60 |

[1] Method A—Herd received 100 pounds of green cut alfalfa, 10 pounds of hay, and 8 pounds of concentrate (14 percent protein) per animal per day.

[2] Method B—Herd received 26 pounds alfalfa hay, 30 pounds corn silage and 9.5 pounds concentrate (16 percent protein) per animal per day.

Mr. ARNOLD. In summary, Mr. Chairman, let me say that during the past 6-year period, these improved alfalfas have had the same customer, or farmer acceptance as was the case with hybrid corn in a comparable period following when it was introduced to the farmers from 1934, on.

Second, these new varieties of alfalfa have made it possible for us to have a dependable source of seed. It has led to increased acreage of this important crop.

For instance, back in 1948 there were some 15 million acres of alfalfa in the United States. Today there is in the neighborhood of 23 million acres of alfalfa for hay and pasture. This represents somewhere in the neighborhood of 57-percent increase.

Third, the disease and insect losses in hay, pasture, and range production total more than $1 billion annually. While we have improved these alfalfas, as Dr. Sprague said, that we have pretty well wiped out our problem of wilt, we are still faced with great losses in alfalfa, in leaf and stem diseases. We are sure there is an opportunity to greatly increase the effectiveness and productivity of alfalfa, if we can have money to get at these particular diseases. We also know that there are similar problems with many of our other legumes and grasses. We feel that what has been accomplished in alfalfa with the moneys that you gentlemen have made available to our plant research people will accomplish the same thing in these other fields if moneys are available.

Fourth, the moneys that are available, as has been pointed out, are just not adequate to do the job on these forage crops, and we are confident that much progress can be made if we can move into the bracket of availability of funds as indicated by Dr. Sprague.

Above, I have indicated what the overall pattern is of acreage in forage crops and hay, in pasture and range in the United States.

As I say, 4 farmers out of 5 depend on pasture, or range, for part of their feed supply for their livestock, cattle, sheep, and hogs. More than half of the farms produced hay. The combined acreage of hay, pasture and range, is more than three times that of all other harvested crops.

The breeding of improved legumes and grasses has been recommended with a No. 2 or No. 3 priority by the Seed Advisory Committee for the last 4 years. It has received priority numbers ranging from 1 to 3 from the Feed and Forage Advisory Committee, since 1952. Basic composition studies and pasture management investigations have been recommended by the Feed and Forage Advisory Committee in 1953–54. Expansion of the foundation seed project to include additional improved varieties and to initiate research on the rate and cause of genetic changes that take place in successive seed generations grown under different climatic conditions, has been given a No. 1 or No. 2 priority by the Seed Advisory Committee since 1951.

Although the report of the Feed and Forage Committee of 1955 has not yet been distributed, forage plant breeding and grassland establishment and management research items were given tentative ratings of A by the committee in their deliberations leading up to final ratings. Tentative classifications from highest to lowest were A, B, and C, respectively.

Because of these observations which I have made and that have been made by many others, some of us have made a careful study of research accomplishments and the outgrowth of that is that we have prepared a brochure which highlights many of the points we have been speaking to. This is the brochure which we have supplied to each member of the subcommittee for his consideration.

With regard to Mr. Sherman Thomas' dairy operations, he is now milking around 500 cows, as may be seen from the above statistics. He has kept a fairly careful record of his feed consumed and milk produced, and on page 5 of my statement we outline for you, gentlemen, what is happening in his dairy herd when it is possible for him to rely on chopped alfalfa hay for quite a considerable period of a year, in his dairying operations. In method A, his feed cost per hundredweight of milk is $1.58 and in method B, it is $2.12.

I might also add that in this program Mr. Thomas appreciates the value of improved alfalfas and he has changed over in his cropping program to where he is using certified Caliverde alfalfa, a new, improved, wilt-resistant alfalfa, which gives finer hay and higher protein, in his program where he is using chopped alfalfa hay to feed his dairy.

I believe that is all I have, Mr. Chairman.

Mr. FLETCHER. Dr. Will Myers, head of the agronomy and plant genetics of the University of Minnesota.

Dr. MYERS. Mr. Chairman and gentlemen of the committee, I do not have with me a prepared statement in view of the fact that I did not anticipate appearing before the committee when I left Minnesota on Monday morning. If I may say so, I am here at the request of Representative Andersen.

Mr. ANDERSEN. I want to say, Mr. Chairman, that I consider Dr. Myers to be one of the leading authorities in research of this nature, and I thought it would be to the benefit of our subcommittee to have before us a gentleman from Minnesota who is so well qualified.

Mr. MARSHALL. It was very thoughtful of you to invite him. You may proceed as you desire.

Dr. MYERS. Thank you, sir.

I am well aware of the fact that we are already at the end of the time you kindly allotted to us, so I will sum up very briefly.

As I believe some of you know, I served until 2½ years ago in the Department of Agriculture in what was at that time the Bureau of Plant Industry, Soils, and Agricultural Engineering.

During the last year, I was Director of Field Crop Research. In that capacity, in my work prior to that time, and in my present position at the University of Minnesota, I have been made fully aware of the enormous contributions that research has made in grain crops, in cotton, in alfalfa, and in other crops with which we are working. Every day also, I am made fully aware of the large number of problems upon which we are not yet able to focus sufficient research attention. Each day we get letters, phone calls, and personal calls from our people in Minnesota, asking for new varieties that we do not have, asking us for information on how to meet some problem they have on the farm, and we have to say, "We'll give you the best estimate we have, but we do not have the final answer on that problem."

Because of my field of work—because my field of work is plant breeding, particularly—I am very keenly aware of the need for this national seed storage facility on which some of our group have spoken today. I realize that this germ plasm that we are talking about storing for use in the future provides the building blocks for the development of the new varieties that we are going to continue to need to develop in these various crops.

As the leader of the oat-breeding project at the University of Minnesota, I am fully aware of the need for additional oat research because we just are not meeting the problems in that particular crop.

The item for forage-crop research has been a phase of research in which I have been particularly interested over the years. Messrs. Sprague and Arnold have summed up, I think, in a very fine manner in their prepared testimony, in what they have said today, and in this research brochure that was presented to you, the importance of grasslands in the United States, their importance in soil conservation and improvement, and their importance as the basis of this enormous livestock industry that we have in this country. Representative Andersen spoke of the enormous income that comes to our farmers from livestock. Half of the cost of producing dairy products, 80 to 85 percent of the cost of producing beef, is feed cost; and Dr. Sprague has told you that the forage crops contribute 65 percent of the feed of all classes of livestock in this country. We do not have the superior varieties, we do not have the management practices, et cetera, in these forage crops that will enable us to give to our farmers the research material and the information they need for most effective use of forage crops in their crop rotations, for soil improvement and conservation, and for the feeding of their livestock herds.

Mr. Arnold spoke to you of the recommendations of the Research and Marketing Advisory Committees that have put the forage crops items well to the top, year after year. During the time that I was in what was then the Bureau of Plant Industry, Soils and Agricultural Engineering, and in a position to know about these things, I realize that only on one occasion—some of you may remember, in the spring of 1952, were we able to bring to you the story of the needs for additional forage crop research.

We believe that the amount that we have indicated, the increase of $600,000, is only a beginning in this field. We believe that from

the contributions that will come from such an investment, all of the cost of this research in future years, will be repaid through increased income to our farmers, year after year. I would like to emphasize as others have emphasized, that we do not wish to suggest that these funds be in lieu of other research that is being done because I am so fully aware of all of the needs for agricultural research. We are suggesting, if you gentlemen feel it is at all possible to do so, that this be made an additional item in the budget.

Thank you very much.

Mr. ANDERSEN. Just one short comment, Dr. Myers. On a trip to Europe the other fall, I could not help but observe how that region you speak of, Denmark, England, Norway, Sweden, and such, are ahead of us in their forage efforts. I remember seeing splendid pastures and I just wondered why we couldn't have more of that nature in the United States.

Dr. MYERS. Your observation is very accurate, sir. I have traveled also in those countries and I know from the reading of the literature and so on that they are well ahead of us in research on forage crops.

Mr. FLETCHER. Mr. Chairman, we thank you very, very much for your time and attention.

Mr. ANDERSEN. We appreciate your coming before us again, Mr. Fletcher, and we appreciate these gentlemen taking the time to appear, here. You have given to us a very fine presentation.

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THURSDAY, MARCH 10, 1955.

## BRADY CREEK WATERSHED

### WITNESSES

**HON. O. C. FISHER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**
**ARTHUR PERRY, ADMINISTRATIVE ASSISTANT TO SENATOR LYNDON JOHNSON**
**DICK WINTERS, PRESIDENT, BRADY CREEK WATERSHED ASSOCIATION**
**JOE T. OGDEN, MEMBER, WATERSHED ASSOCIATION**

Mr. MARSHALL. We are very pleased to have before us our colleague Congressman Fisher from Texas, who is interested as usual in the middle Colorado watershed.

We would like for you to introduce your group and proceed in any way you wish.

Mr. FISHER. Mr. Chairman, we appreciate again the privilege of being here and we will be very brief. I am conscious of the problem you have.

Mr. Chairman, I'll introduce the witnesses.

First, Mr. Arthur Perry, the administrative assistant to Senator Lyndon Johnson and he wants to make a brief statement, Mr. Chairman, following which time Mr. Joe Ogden, who is associated with the Brady Creek Watershed Association, and Mr. H. D. Winters, president of the Brady Creek Watershed Association, would like to be heard very briefly.

Mr. MARSHALL. In the interest of time we would appreciate your calling on these people as you go along.

Mr. FISHER. Suppose we first hear from Mr. Perry, because he is anxious to get back to his work.

Mr. PERRY. The Senator appeared last year personally before your committee and wanted to appear this time if he could, but it happened this afternoon that he was tied to the floor by the tax bill and he asked if I might have the privilege of coming over and reading a very short statement which he would like you to have.

Mr. MARSHALL. We would be very glad to have it.

Mr. PERRY. I wish to read this statement by United States Senator Lyndon B. Johnson.

"My friends and constituents, Mr. Dick Winters of Brady, Tex., president of the Brady Creek Watershed Association, and Mr. Joe T. Ogden, member of the watershed association, will present to this committee the facts and figures on which people of the Brady area base their request for a stepped-up rate of appropriations for the authorized upstream flood-control project there.

"My purpose here is simply to join wholeheartedly in the recommendations of the Brady Creek Watershed Association.

"The Brady Creek Watershed is a subwatershed of the Colorado River project, which is 1 of 11 approved watersheds designated by the Congress in the Flood Control Acts of 1936 and 1944.

"Forty-six water-retarding structures are planned on Brady Creek. These upstream dams are needed to protect the flood-plain lands along the creek and its tributaries.

"Brady Creek has flooded frequently, causing high annual damage. The Brady Creek watershed project is basically a soil and water conservation project. Its completion will greatly reduce losses due to floods in the area—losses of property and losses of irreplaceable topsoil.

"At the present rate of appropriations, some 20 years will be required for completion of the dams planned.

"During that period of 20 years, based on experience of the past, flood damage in the affected area will total approximately $3 million. That is equivalent to three-fourths of the overall structural cost of the entire project.

"Gentlemen, I submit there is no economic logic in this picture.

"A speeded-up rate of appropriations is obviously in the interest of the farmers and landowners in the Texas area concerned. Such a speedup is just as clearly in the national interest, for it would cut down administrative costs as well as averting a heavy potential loss due to damage from floods.

"It is my earnest hope that the members of this committee will see the wisdom of recommending an accelerated rate of appropriations for this project."

Thank you.

Mr. FISHER. Now, Mr. Joe Ogden, who has a brief prepared statement.

Mr. OGDEN. Mr. Chairman, Mr. H. D. Winters and I are here today to represent the people of the Brady Creek watershed. We thought it appropriate to come here again and give you a brief progress report on our watershed project and to outline the pressing need for addi-

tional funds for the construction of dams that are now ready for contracting.

We were before you a year ago and described our plans. But, perhaps I should again give you a brief background of our project. We think it is a model of upstream flood prevention undertakings.

Brady Creek watershed is a subwatershed of the middle Colorado River, which is one of 11 watersheds in the United States on which upstream flood prevention treatment by the Department of Agriculture was authorized by Congress in the 1944 Flood Control Act.

This Brady Creek watershed is from 9 to 17 miles in width, averaging 13 miles. It has a length of approximately 93 stream miles. The watershed has an area of 846 square miles, or 541,500 acres. The bottom land areas include 28,353 acres of flood plain and 5,983 acres of stream channels. All the flood plane was covered by the July 1938 flood. This information is from the Soil Conservation Service.

Brady Creek has flooded frequently and has caused high damages. During the 20-year period from 1923 to 1942, inclusive, there were 76 damage-producing floods recorded. Eight of these covered more than half of the entire flood plain. Loss of fences and livestock; damage to roads, bridges, and railroads; damage caused by the deposition of fine-textured sediment on field crops and pasture grasses and in urban areas, as well as destruction of young growing crops, have been of considerable magnitude. Portions of the city of Brady, through which Brady Creek flows, had on a number of occasions been flooded. On at least one occasion floodwater inundated 264 acres of the city, according to official figures.

Our program down there for complete flood prevention is a program combining land treatment practices such as terracing, farm ponds, cover crops, and range improvement with a structural program of detention reservoirs, floodwater diversions, and floodways.

The program also calls for 46 detention reservoirs which will retard the runoff from approximately 360 square miles of the watershed. Forty-five miles of floodways are needed to protect additional areas of the flood plain where the stream channels are too small to carry the release rate from the detention reservoirs plus the uncontrolled areas. Moreover, the existing floodway through the city of Brady should be adequate to carry the runoff from the watershed if the proposed system of structures and floodways are completed.

Now, I spoke a moment ago of the 76 damage-producing floods that were recorded on that watershed between 1923 and 1942. According to soil conservation engineers, 10 of those storms will be eliminated under our program, and the remaining floods would be reduced to the extent that total flooding would be reduced from an average of 15,391 acres to 2,530 acres annually and cause an estimated average annual damage of only $30,659, compared to the $221,659 annual loss under present conditions. The expected benefits from the combined program will amount to $810,442 annually.

This is a cooperative program with a total estimated cost of $6,271,683. Of this total, $1,534,400 will be borne by local interests and $4,737,238 from Federal funds.

The ratio of the total average annual benefit to the total average annual cost is 3.05 to 1, or for each dollar spent on this program there will be $3.05 return expected.

Local interest in this project is evident in that the farmers and ranchers in the watershed have already furnished at least 50 percent of their total cost. About 35 percent of the land-treatment practices needed have been applied. Easements for all floodwater retarding structures and floodways were acquired a year ago over the signatures of more than 400 landowners. And probably 1,000 individuals did some voluntary work in securing these rights-of-way in the short period of a year.

Mr. Chairman, we are sold on this method of preventing floods. All of our people are sold on it. A nearby project in our county, known as Deep Creek, and containing only six dams, was completed in 1953. It is a much smaller project than Brady Creek. But, shortly after its completion an 8-inch rain fell on the watershed, and the dams used only 65 percent of their capacity in holding back the floodwaters. It proved to be a complete success in preventing devastating flooding in the lower valleys. As evidence of popular interest in that little project, there were 211 different groups, from different areas of Texas, who came there last year to tour the Deep Creek project and to see with their own eyes what can be done by comprehensive flood-prevention dams on a watershed.

Now, let me bring you up to date on what has been done thus far on Brady Creek, by way of dam construction. A total of four dams, costing $174,290, have been completed. Another four costing $243,-461,000 are now under contract.

By July 1, 1955, the soil-conservation people inform us, a total of 16 additional structures will be ready for contract. That is, all engineering, designing, and other preliminaries will be completed and bids can be taken. In fact, 6 of those 16 are ready for contracting right now, but are being held up due to shortage of funds. The 16 projects will cost an estimated $919,340.

We feel, Mr. Chairman, that it is very urgent that at least these 16 additional dams, out of the total of 46 to be built on the watershed, be started during the next fiscal year. Much more money could have been used economically on the project this year. In fact, at the present rate of appropriation and allocation for Brady Creek, it would take 20 years to complete the project. And, in the meantime, as I have pointed out, total annual flood damage to fields and pastures will approximate $221,000. Over a 20-year period that would be $3 million.

I may add that for some 4 years we have been going through a disastrous drought. It has taken a heavy toll. The topsoil is loose and much of it is void of normal grasses. That makes it very vulnerable to washing by floods. There can be no better time than now to speed up the projects we have ready for construction. We estimate that an average of 25 acres of farmland will be irrigated from each of these 46 dams.

We would like to see $1,500,000 provided for the middle Colorado watershed next year. Clear Creek, in adjoining Brown County, is ready for construction works. Another, in adjoining Coleman County, is being prepared.

We appreciate the courtesy of the committee in listening to our problem. Our hearts are in this project, and we hope that we have been able to give you the picture of what we are trying to do down

on Brady Creek. We think that when completed it will serve as a model for the whole country. It will combine flood prevention on farms and ranches, and protection against the repeated devastating floods that have plagued the city of Brady, located in the valley, a half dozen times in the memory of many of us.

We earnestly hope that the committee, in its wisdom, may find it proper to increase the funds for this upstream water retardation program, and thereby enable the Soil Conservation Service to allot enough money to Brady Creek to meet our pressing needs.

Mr. MARSHALL. Thank you for your statement.

Mr. FISHER. Mr. Chairman, that completes it, unless Mr. Winters has some additional contribution. They have some colored maps that depict the watershed very graphically, here, and I suggested they might leave 3 or 4 of those with those figures for the use of the committee, if they desire them.

Mr. MARSHALL. We will be glad to have those.

Mr. FISHER. Here is a typical watershed where a year ago, easements for 46 dams were signed up and they started in. They have 4 built, 4 under contract; they have 16 ready to contract if they get the money. They want to have it finished. It will be a beautiful project; it is very typical. It is a part of 1 of the 11 watersheds set up originally.

Mr. MARSHALL. What you are saying is that you have all the preliminary planning work out of the way. That is costly. You are ready for the action part of the program, and unless it is done, it is not going to be economical, and it will be a waste of what money has been spent.

Mr. FISHER. The action part is in progress. They are turning dirt down there now. They have completed 4 and have 4 more under construction. That accounts for about $350,000 or $400,000, but they are ready and anxious to get on with these 16 that the engineers have finished all the data on and they are just afraid with the limited appropriation they are not going to get it next year so they wanted to put in their little bit, here, in urging that this program be treated as generously as you feel conditions will permit—this upstream development.

Mr. ANDERSEN. Don't you think, Congressman Fisher, that Congress maybe has been a little lax in not providing sufficient funds to really push these projects as they should, through the years?

Mr. FISHER. I think that is true. There is a tremendous amount of interest over this country in this upstream flood retardation program.

Mr. ANDERSEN. I refer not only to your 11 watersheds but to the Andersen-Hope pilot-plant program and the new watershed protection program. Where can we do better than to accentuate work of this nature and prevent a tremendous amount of destruction in the future.

Mr. FISHER. They have to have some more money or the thing gets stagnant pretty fast.

Mr. ANDERSEN. You are in a position where it will take 20 or 25 years before you can see a project completed?

Mr. WINTERS. And during that time our accrued losses will equal three-fourths of the cost of construction.

Mr. ANDERSEN. I think it is poor business. We should either push these projects to completion or abandon them.

Mr. FISHER. We think this is going to be built eventually. It is set up and approved and it is in the process so delay is going to cost more in the long run. The economic thing to do is to proceed in an orderly way, which would require about a million dollars for construction on watershed this next year.

Mr. DEANE. I wish our colleague Mr. Fisher would comment on this. I am looking at the description of these 11 different watersheds and it is interesting to know that in 1955, and in 1956, that the Department of Agriculture is being fair because it looks like the figures are the same for each of the projects. I was wondering if you have any comment if generally what is applicable to one of these projects would be generally applicable to the other. Would that be true?

Mr. FISHER. It depends, of course, on the number of projects where the easements have been obtained and where they are ready to move. I am not familiar with the various individual projects.

Mr. DEANE. You have 1 in New York State for the 1956 budget estimate, 325; the Colorado-Middle Creek, 496. The 1956 estimate is 488.

There is a close proximity to the figures running all the way down. It seems to me to be a program that ought to be carried out with greater haste.

Mr. FISHER. It will take around 20 years to finish Brady Creek alone as it is set up.

Mr. WINTERS. On the entire middle Colorado at the present rate of appropriation it would require 120 years to finish. If we get all of the middle Colorado River appropriation on Brady Creek it will take 20.

Mr. DEANE. The project is described in the justification as the "Colorado-middle Texas." You are speaking directly to one of several projects in this overall program.

Mr. FISHER. That's right.

Mr. WINTERS. It would take the entire appropriation for 20 years to complete 1 watershed, and there are 14 of them. We understand there has been a subsequent bill that has to do with pilot watersheds and that provides for completing them in some 5 years.

I have here a chart showing the completion dates which I suggest be included in the record.

Mr. MARSHALL. Without objection it will be included in the record at this point.

(The chart referred to follows.)

MIDDLE COLORADO RIVER WATERSHED

One of 11 approved watersheds designated by the United States Congress in the Flood Control Acts of 1936 and 1944.

| | |
|---|---|
| Brady Creek (subwatershed of Middle Colorado River): | |
| Drainage area, acres | 541,500 |
| Flood plain area, acres | 26,000 |
| Easements furnished by local interests | 122 |
| Structures completed to date (4) | $174,290 |
| Structures under contract (4) | $243,461 |
| Structures ready for contract now (6) | $315,810 |
| Structures ready for contract July 1, 1955 (10) | $603,530 |
| Structures planned, total (46) | $3,800,000 |
| Time required to complete program at present rate of appropriation years | 20 |
| Average annual flood damages | $221,000 |
| Estimated damages that will accrue over 20-year construction period | $3,000,000 |
| 20-year damage as compared to total structural cost, percent | 75 |
| Requested appropriation for 1955 | $1,500,000 |
| Middle Colorado River: | |
| Estimated structural cost | $19,516,000 |
| Time required to complete program at present rate of appropriation, years | 120 |

Mr. MARSHALL. Thank you, Mr. Fisher and gentlemen. That will conclude this item.

## NATIONAL SEED STORAGE FACILITY

We shall include in the record at this point a letter and attachment which was received by the chairman, Mr. Whitten, from Hon. Thomas J. Dodd, a representative in Congress from the State of Connecticut.

(The letter referred to follows:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., March 10, 1955.*

Hon. JAMIE L. WHITTEN,
*Chairman, Subcommittee on Agriculture,*
*House Appropriations Committee,*
*Washington 25, D. C.*

DEAR COLLEAGUE: In connection with the scheduled hearings of your subcommittee concerning a national seed storage facility, I believe you will be interested in the attached letter from the plant science department of the University of Connecticut.

Will you please make the expressed interest of the University of Connecticut a part of the record of the hearings.

Sincerely yours,

THOMAS J. DODD,
*Member of Congress.*

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THE UNIVERSITY OF CONNECTICUT,
*Storrs, Conn., March 7, 1955.*

Hon. THOMAS J. DODD,
*House of Representatives,*
*Washington, D. C.*

DEAR SIR: Many of my colleagues engaged in agricultural research with plants feel very strongly that funds should be provided for a germ plasm bank and a staff to maintain it. Many valuable strains have been lost after long-time efforts by plant breeders and explorers to breed or secure them because there were no provisions for pertuating such irreplacable material. This is too large a project for any State to finance and besides it has farflung national aspects.

I am writing to you, therefore, asking if you will do whatever you think fitting in this matter before the joint Senate and House Agricultural Appropriations Committee hearing at 2 p. m. on March 10.

Respectfully yours,

B. A. BROWN
(For H. A. Robbins, Head Plant Science Department).

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THURSDAY, MARCH 10, 1955.

## CONTROL OF THE WHITE-FRINGED BEETLE

### WITNESSES

**HON. JOHN J. SPARKMAN, UNITED STATES SENATOR FROM THE STATE OF ALABAMA**

**HON. GEORGE McINVALE GRANT, MEMBER OF CONGRESS FROM THE SECOND DISTRICT OF ALABAMA**

Mr. MARSHALL. We are very pleased this afternoon to have Congressman Grant and the distinguished Senator from Alabama, John J. Sparkman.

### STATEMENT OF CONGRESSMAN GRANT

Mr. GRANT. Mr. Chairman, and members of the committee, I have given a great deal of study to the control of the white-fringed beetle. In this respect I have weighed very conscientiously the relationship between Federal and local responsibility in administering an effective control program. I have acquainted myself with the conditions of control of this pest in my congressional district and the apparent consequences of any relaxation of the program as conducted today.

Approximately a year ago I appeared before this subcommittee to urge that adequate funds be made available to permit the continuation of a program which now controls the white-fringed beetle to the degree that farmers may produce a good crop in the presence of the pest. At that time the proposed appropriations were $206,400, a sum that undoubtedly did not reflect a realistic approach to the problem. I am genuinely pleased and gratified that the subcommittee recommended that this proposed appropriation be increased to $861,400 for fiscal 1955.

Gentlemen, I assure you that the critical need for an effective control of the white-fringed beetle is as imperative for the next fiscal year as it was in the last.

Regarding the local responsibility in combating this destructive pest, I invite your attention to the endeavors and expenditures of a control program supported by my constituents in Baldwin County, Ala. Since 1950, farmers, nurserymen, and other persons concerned with the agricultural stability and welfare of this area, in Baldwin County alone, have spent an estimated $89,000 on the control of the white-fringed beetle. Of course, the effort and time expended in such an operation is incalculable.

I am fully aware of the importance and significance of an adequate program for the control of the white-fringed beetle to the citizens of the infested areas in my district. I know what has been done and what

can be done through such a program. It is with this knowledge in mind that I strongly recommend the provision of Federal funds sufficient to sustain the present program and encourage even greater progress.

For the subcommittee's careful consideration, I wish to submit at this time a statement prepared by the South Baldwin Chamber of Commerce, in collaboration with the Baldwin County Potato Advisory Council and the Baldwin County Farm Bureau. I believe that the representations made in this statement are of special significance in your consideration of this appropriation.

Mr. MARSHALL. This statement will be included in the record at this point.

(The statement referred to follows:)

For the past several years, we have been vitally concerned with the white fringed beetle problem, and after having made a careful study of the situation, both as to economic damage from the insect and the consequences that would result if this program were relaxed, we are presenting the following pertinent facts and figures contrasting the white-fringed beetle picture of 10 years ago and that of today.

In 1944 the Federal appropriation for the white-fringed beetle project was $945,000. During this past year it was $681,400.

In 1944 there were 141,000 acres known to be infested with white-fringed beetle. At the close of this past year there were 456,000 acres known to be infested.

The average salary scale for Federal entomologists in 1944 was $2,600 per year. Today that same man is being paid $4,205 per year.

Ten years ago there were 168 full-time Federal employees on the white-fringed-beetle work. Today there are 135.

On the other hand, we have seen the great strides that have been made in securing an economical control of white-fringed beetle. The farmers and nurserymen have assumed the responsibility for bearing the cost of insecticides on their individual properties, but with the increased acreage it appears to us that it would be impossible to carry on as effective a program as was being carried on 10 years ago, and that we are making advancements in one direction but failing to make allowances for the increased areas that have become infested. Obviously, progress is being made from the standpoint of insecticides and control, but we are losing ground from the standpoint of Government finances to support adequate inspection, control, and quarantine enforcement.

Since a cooperative control program was inaugurated in Baldwin County in the fall of 1950, our farmers, nurserymen, and other individuals have spent an estimated $89,000 for the control of white-fringed bettle on their properties. We fully believe that our expenditures are contributing a great amount toward protecting the agriculture of the whole Nation, but we can continue to bear this portion of the expense only so long as the Federal Government is holding up their end of the deal. If the Government relaxes its effort, it will be much harder on the local people to continue their efforts to control the pest, since it is no easy job for us, especially on account of the drought years we have recently had. However, we are continuing in the belief that the Government will continue its part to protect our investment.

Due to the fact that heavy infestations exist all around our area, unless adequate Federal inspection and supervision is maintained we are constantly threatened from reinfestation from outside sources. We insist that the Federal and State governments keep enough inspectors to make reasonably sure that all of the possible infested areas have been given a good inspection and properly located. Even though a total of 456,000 infested acres appears to be a sizable area, we would like to point out that this total infested area in the United States is still less than one-half of the total area of our own country, and yet it is scattered over 9 States; therefore, taking more men to adequately inspect, control, and enforce quarantines.

Above everything else, we are interested in seeing that the Federal quarantine is retained and properly maintained. However, we absolutely do not want to see the Federal Government curtail its appropriations at the present time and then later have to spend all available funds on strictly quarantine enforcements without the benefit of supervision of control activities.

We insist that the appropriation for the white-fringed-beetle project be increased to meet the needs as outlined above and feel that the $700,000 for fiscal 1956 that is being requested by the central and southern plant boards be considered as a bare minimum.

Mr. MARSHALL. We know how interested you are in agricultural matters. We are also glad to have a member of the Agricultural Committee appear before our committee.

Mr. ANDERSEN. Mr. Grant has been of invaluable service to agriculture in all of the phases and I am particularly glad to see him before this subcommittee today.

Mr. GRANT. Thank you very much.

Mr. ANDERSEN. I also want to include our illustrious visitor here today, Senator John Sparkman, in the same category.

Mr. MARSHALL. Will you proceed, Senator?

STATEMENT OF JOHN J. SPARKMAN

Senator SPARKMAN. Mr. Chairman and members of the subcommittee, there is not a great deal to be said on this subject. I think the subcommittee is pretty well familiar with these pests, and with the control. I have appeared before the subcommittee several different times in the past. Unfortunately, I was unable to be here last year. I was attending to a little election business down in Alabama right at that time.

I believe there are nine States affected. I believe in the various States the affected areas are relatively small. It will be in many areas—and certainly this is true in Baldwin County, Ala., they have brought it pretty well under control. What we need is a sufficiency of inspectors and people connected with the program to make certain that it doesn't break over. Eventually, we hope that it will be completely exterminated, but it is going to require careful watching during this time in order that it is brought down year by year. The amount that is being requested, signed, by the organization interested in it—I am not referring to the budget estimate, offhand I do not recall what the budget estimate is, but the amount that the people who are immediately concerned with this problem are requesting $700,000 for this fiscal year. Last year I think the amount appropriated was—well, as George said, I think the committee recommended $681,000. I believe the appropriations was a little less than that. $600,000 was it.

Mr. ANDERSEN. Might I say that the budget is requesting $631,000 this year, which is about $50,000 beneath the last year's level.

Senator SPARKMAN. We think it should be increased to about $700,000. That is what the people out in the field believe.

Mr. ANDERSEN. Might I add this too: This subcommittee has generally speaking, taken the position that we must not neglect control programs simply because of our interest in research. We feel that perhaps the budget has taken a too accentuated position along some lines in research, and have a tendency to neglect correspondingly the control programs which after all are equally important and necessary.

Senator SPARKMAN. Of course, we know from experience it doesn't require research to tell us the damage that the white flag beetle is able to do and throughout the years it has been pretty well brought under control, so far as spreading is concerned. Now what we want to

make certain is that it stays controlled and will not be allowed to break out, or, in areas where it has been exterminated, to begin infesting.

I think it is essential that we go forward with the program.

By the way, let me say in appearing here I represent both Senator Hill and myself. Senator Hill is busy in another committee meeting. I was with him just before coming and he asked me specifically to say that he would like to be present and join in this presentation.

Mr. MARSHALL. Thank you.

Mr. DEANE. I apologize to my colleague Mr. Grant, and you Senator Sparkman, for not being here at the beginning of your statement. I am glad to have been here before you left.

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THURSDAY, MARCH 10, 1955.

AGRICULTURAL CONSERVATION PROGRAM

WITNESS

**ROBERT M. KOCH, EXECUTIVE SECRETARY, NATIONAL AGRICULTURAL LIMESTONE INSTITUTE**

Mr. MARSHALL. We are pleased to have before us Robert M. Koch, executive secretary of the National Agricultural Limestone Institute.

Mr. KOCH. My name is Robert M. Koch, executive secretary of the National Agricultural Limestone Institute with offices in Washington, D. C. I certainly appreciate the opportunity of appearing before this committee on the question of the authorization for the 1956 agricultural conservation program.

The institute is an organization of over 500 producers of agricultural limestone and affiliated industries in 33 States. The purpose of NALI is to promote the welfare of the agriculture limestone industry consistent with the public interest. Our activities have for many years centered on the creation and maintenance of a sound, adequately financed agricultural conservation program because we believe such a program is essential to the vitality of American agriculture.

In order to place in proper perspective what I have to say about the authorization for 1956, I wish to establish for the record at this point the basic conservation policy declared by Congress in 1936 in the Soil Conservation and Domestic Allotment Act. This law states:

> That it is hereby recognized that the wastage of soil and moisture resources on farm, grazing, and forest lands of the Nation, resulting from soil erosion, is a menace to the national welfare and that it is hereby declared to be the policy of Congress to provide permanently for the control and prevention of soil erosion and thereby to preserve natural resources, control floods, prevent impairment of reservoirs, and maintain the navigability of rivers and harbors, protect public health, public lands * * *.

The act further states in carrying out this policy (sec. 15):

> To enable the Secretary of Agriculture to carry out the purposes of sections 7 and 8 (providing for conservation payments, etc.) there is hereby authorized to be appropriated for any fiscal year not exceeding $500,000,000.

Today conservation needs, in terms of dollars are even greater than that authorized by the act. According to Department of Agriculture

figures over $1.5 billion of Government assistance is required to carry out adequate conservation practices on the Nation's farms annually. Add to this another $1.5 billion in private funds (farmers' share is 50 percent of total cost under present program) and we have a total of about $3 billion needed annually. The amount actually authorized for 1955 is $250 million. For 1956 Secretary of Agriculture Benson has requested $175 million—a figure 30 percent below 1955 and 65 percent below the $499 million appropriated a few years ago.

Pressure to lower the appropriation each year is becoming greater. This continuous downward pressure threatens the present and future effectiveness of the entire 20-year effort to protect our soil reserves. We submit that $175 million cannot possibly do the job for which the program was created; that this figure is not only inadequate but unrealistic. The experience of our members throughout the Nation is that such limitations in ACP funds are preventing over 50 percent of all farmers from carrying out all the conservation practices they would like. Insufficient funds for this vital program—a lifeline to our generations unborn—could mean gradual depletion of our soil reserves and possible stagnation in our agricultural economy. The Congress has an obligation to the farmers of America and the consuming public to see that the spirit and letter of the law is carried out in the public interest and not sacrificed to political expediency nor to changes in the philosophy of those administering our farm programs.

Since 1936 many hundreds of millions of dollars have been spent for soil conservation. Federal and State officials, as well as agricultural limestone producers, have for many years helped promote the increase in use of conservation practices among our farmers. This investment in money and energy is not being protected by lower appropriations.

We believe our Nation could well afford $500 million to preserve the soils on the 5 million farms throughout the country. After all, that is no more than we spend for two aircraft carriers. Certainly few would think of challenging the rightness of spending billions of dollars for weapons to preserve our national security. We are buying protection, too, when we invest in the preservation of our soil resources—protection of a longer term nature perhaps but still tied to the well-being of our Nation. While we recognize that the current budget situation precludes this committee authorizing the full $500 million permitted by law, we believe the $250 million authorized for 1955 should certainly not be reduced.

We strongly recommend that this committee give serious consideration to providing an authorized minimum of $300 million for the 1956 agricultural conservation program.

It is our experience that there are two main problems with the agricultural conservation program:

1. Lack of funds for adequate conservation practices.

2. Administrative restrictions, including a mandatory soil test, causing bottlenecks in the program's operation in many States and discouraging farmer participation.

Last year our organization surveyed the 2,300 ASC county committees in the humid area and found that the great majority could have used more funds for conservation and believed that the lack of

funds was the greatest deterent to adequate conservation practices. Our experience in consulting with State and county officials personally in many of these States more recently has confirmed this finding.

In this same survey we asked the reasons for the decline in farmer participation in the present ACP. The two answers most frequently mentioned were (1) administrative red tape and (2) mandatory soil test requirement before approval for lime payment is given a farmer.

A survey we have just completed of farmers in the State of West Virginia shows about 57 percent of those replying did not have their soil tested in 1954. West Virginia is one of the States retaining a mandatory soil-test requirement. This return indicates the effect of this administrative bottleneck—a majority of the farmers are not complying with the requirement and are, therefore, out of the program. Ninety-two percent of farmers replying stated further their belief that the application of 2 tons of agricultural limestone in lieu of a soil test should be permitted.

Another administrative bottleneck exists in the form of soil-testing facilities. In this West Virginia survey 65 percent of farmers replying did not think adequate testing facilities existed in the State. This in itself discourages participation, particularly when it takes a long time to get the results of tests back to the farmer. Sixty-three percent of West Virginia farmers replying to a survey question stated it took 1 month or over to obtain results of tests of their soil.

Another example of burdensome restrictions appeared in the ACP handbook in the State of Wisconsin for 1954 and 1955. Programs for both these years contain a so-called package deal in which 250 pounds of 0–20–20 fertilizer or its equivalent must be used before payment for lime can be made and farmers had to pay for the fertilizer out of their own pockets completely. This, of course, drastically curtailed the use of agricultural limestone in Wisconsin in 1954 and will continue to do so in 1955 if the restriction is not modified. Early in 1954 we surveyed thousands of county and community committeemen—a good cross section of Wisconsin farmers—and found that slightly over 99 percent opposed this package provision and wanted it modified.

In 1954 our organization sponsored and conducted meetings in 23 States between producers and agricultural stabilization and conservation committee officials and their college advisers. Our interest was to create better understanding of industry problems in operating under the ACP and to obtain relaxation of those restrictions we felt were preventing greater farmer participation. Largely as a result of those meetings restrictions in some States were lifted. Thousands of farmers in certain of these States are permitted greater freedom in operating within the program. But if the lower requested authorization of $175 million passes the Congress this will have the effect of nullifying the relaxation of any restrictions to encourage greater farmer participation.

The decline in use of agricultural limestone is an example of the effect of inadequate program funds. The use of lime fell from approximately 30 million tons in 1947, to less than 20 million tons in 1954. The reduction in limestone tonnage itself is not the important point here but rather the reduction in acreage of legumes—alfalfa, clover, and so forth—the keystone to any long-range conservation program. The soils authorities of our Nation have estimated that

about 80 million tons of lime are needed annually to preserve our Nation's soil reserves adequately. In view of this recognized annual need our soil conservation efforts today are doing only 25 percent of the job required.

Limestone provides calcium and magnesium to the soil, thus supplying much needed plant nutrients, and eliminates acid soil conditions to permit plant growth. Liming increases plant yields, granulates the soil for better drainage and aeration and increases the efficiency of fertilizers and manure. Dr. William A. Albrecht, head of the department of soils, University of Missouri College of Agriculture, stated the importance of liming in the April 1954 issue of Rock Products as follows:

> Viewed from the vantage point of plant nutrition, liming the soil becomes the application of fertility elements of quantities nearly 10 to 20 times as large as any of the other elements commonly used in commercial fertilizers. It becomes then a major fertilizing performance. Surely under such large amount applied according to soil test, and under the concept of lime as our foremost fertilizer, the business of limestone production and distribution should feel itself playing the major role in maintaining the fertility and productivity of our soils.

In considering the importance of agricultural limestone to any conservation program the lime-fertilizer relationship is well worth a moment's reflection. It has been estimated that from 20 to 40 percent of the fertilizer used on farms in this country is not used to its maximum efficiency because of inadequately limed soils. Experiments to determine the value of fertilizer in plant growth are always preceded by a complete liming of the soil. The Land Grant College-Department of Agriculture Joint Committee on Agriculture Productive Capacity in their report issued in 1952 stated that we should use 395 million tons of limestone to bring our soils up to the proper condition for optimum productive capacity and then use 47 million tons a year thereafter. This would be necessary to get optimum yields from fertilizer

Another aspect of the lime-fertilizer relationship gaining increasing attention is the trend toward the greater use of high-powered liquid nitrogen fertilizers. These elements create a potentially dangerous acid soil condition on inadequately limed soils. Without companion use of lime the productive capacity of the soil is soon seriously jeopardized and eventually could be ruined completely. The problem is becoming cumulative and little is being done about it. For example, in 1953 the use of these acid-forming fertilizers was 1,584,000 tons, an increase of 9 percent over 1952. In 1954 an increase of 12 percent is estimated over 1953. Just to neutralize the excess acidity in the 1953 tonnage about 1,600,000 tons of agricultural limestone would be needed. The gravity of this growing problem is just now beginning to attract wider attention. This is another reason greater conservation practices, including agricultural limestone, should be encouraged and not discouraged through appropriated funds.

Another thing we fail to consider sufficiently regarding funds for the ACP is that inflation in recent years had reduced the purchasing power of the conservation dollar and an upward trend in appropriations is needed to offset this. Since before World War II the cost of practically all things the farmer, and everyone else for that matter, buys has more than doubled. Yet if this commit-

tee approves the request of the Secretary of Agriculture for $175 million for the 1957 ACP this would mean a reduction of almost half the amount appropriated in 1945 ($342,658,000). Following this line of reasoning we cannot escape the conclusion that our shrunken dollar of today necessitates a doubling of the present level of $250 million rather than a halving of these funds from levels of 10 years ago.

But what are the arguments for lower funds for this program? During our discussion with some officials we hear these objections to greater conservation efforts through Federal aid:

1. Funds are being returned to the Treasury. This means farmers are not interested in conservation.

2. Farmers should do their own conservation work and not rely on the Federal Government.

3. Soil conservation means increasing the soil's productive capacity. Why do this—increasing yields and adding to today's agricultural surplus problem?

As to argument No. 1, it is true that funds are being returned from some States. For the 1953 program about $34 million was returned unspent. But the real reason why funds are being returned is that administrative restrictions have discouraged farmer participation to such an extent that funds appropriated are not used. Moreover, those States where most or all of the funds allotted have been used have not been able to acquire the unspent funds of other States to increase their own conservation practices. We have made surveys of farmers showing the overwhelming majority of farmers favor not only the maintenance but an increase in the ACP appropriation. If burdensome restrictions are relaxed in the States no funds will remain unspent and will go instead to accomplish the job for which they were appropriated.

As to argument No. 2, no one can disagree that in theory this is a sound approach but experience has shown that reliance upon this philosophy will not accomplish the goal for which the Federal soil conservation program was created. If all farmers are left to their own to follow the rules laid down by the State ASC committees, a substantial number, due to the variances in human nature, will not comply. The purpose of soil conservation is to preserve the soil of this country regardless of who may be tilling the soil at the present time.

As to argument No. 3, there can be no argument that a different situation exists today than existed 10 years ago. At that time we were doing everything we could to encourage maximum production of practically all crops. Today this policy does not answer the demand of a peacetime economy. But just as this situation has reversed in the space of a few years, we believe it is quite probable that we may again return to a period of inadequate farm production. It is estimated that by 1975 there will be 190 million people in this country, an increase of 30 million over the present level of 160 million. If we are to feed these people, a substantial expansion in production will have to take place for many commodities. In other words, we see the surplus problem as a transient one, and even though we are vitally concerned as of this moment we must look to the future when, we believe, this problem will no longer be with us. It therefore follows

that we cannot afford to let our land deteriorate by decreasing the levels of our past soil conservation efforts in attempting solve a temporary problem.

Often, it is the small and/or poor farmers who suffers most from lower program funds and administrative restrictions. We feel that anything that is done to discourage participation of these farmers who can help themselves only to a point makes farming less attractive. In the past two decades we have seen a tremendous migration of farm people to the cities while farms have been getting larger and fewer. By discouraging farmers from utilizing those practices which are needed on their farms, we are in effect encouraging the growth of larger farms and a reduction in the number of family-sized farms.

Attached are two exhibits. Exhibit I shows the effect of the reduction in funds of the agricultural conservation program on the number of participating farms. Exhibit II illustrates the significant effect the ACP has had on the use of agricultural limestone in the Nation and the sharp drop which has accompanied the recent curtailments in this program.

Mr. MARSHALL. We will place the exhibits in the record.

(The exhibits referred to follow:)

## EXHIBIT I

*Agricultural conservation program funds and participating farms or ranches, 1936–55*

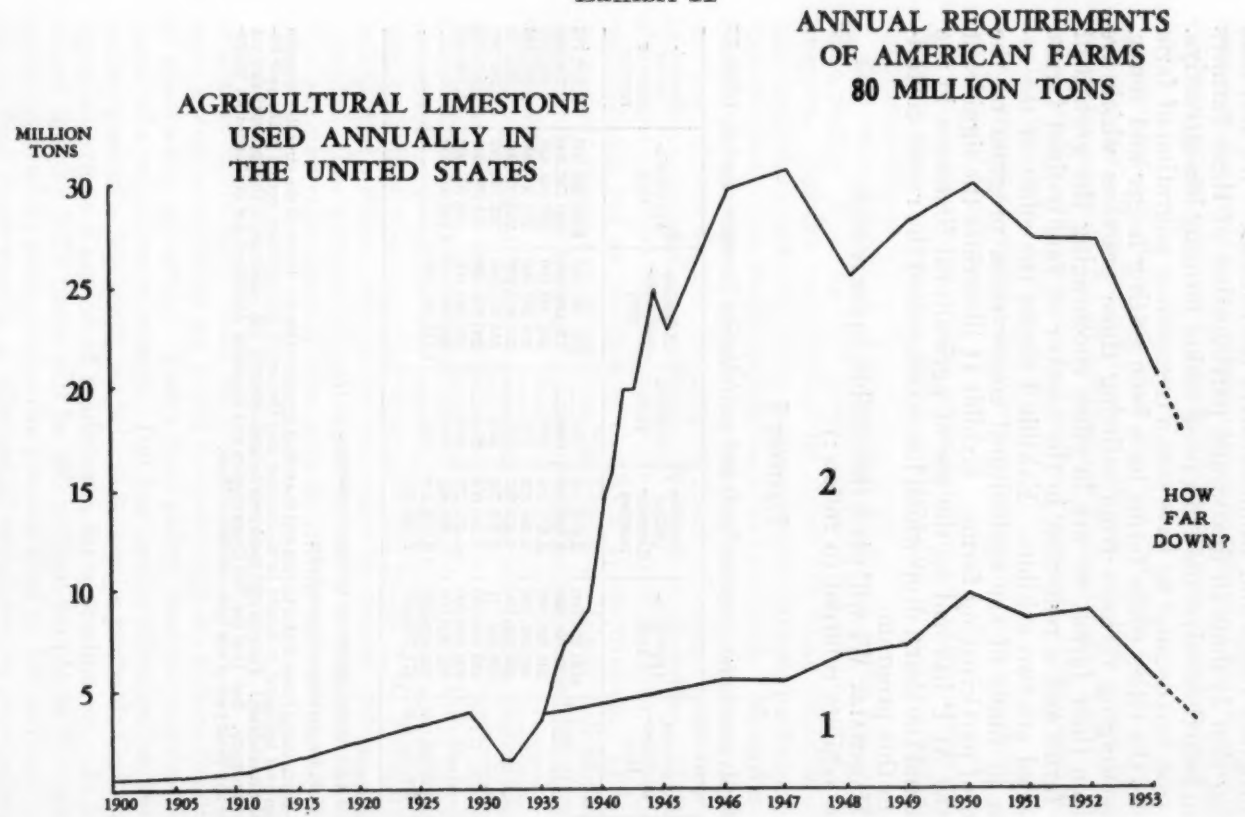
| Program year | Advance authorization | Appropriation | Participating farms or ranches | Program year | Advance authorization | Appropriation | Participating farms or ranches |
|---|---|---|---|---|---|---|---|
| 1936 | | $440,000,000 | 3,014,218 | 1947 | $300,000,000 | $228,000,000 | 2,729,794 |
| 1937 | | 340,000,000 | 3,020,037 | 1948 | 150,000,000 | 159,734,500 | 2,296,056 |
| 1938 | | 345,000,000 | 3,819,361 | 1949 | 262,500,000 | 257,043,439 | 2,586,791 |
| 1939 | | 489,560,000 | 4,088,823 | 1950 | 300,000,000 | 282,500,000 | 2,577,135 |
| 1940 | | 438,560,000 | 4,329,227 | 1951 | 285,000,000 | 260,000,000 | 2,357,122 |
| 1941 | | 499,388,671 | 4,359,763 | 1952 | 256,500,000 | 251,754,142 | 2,285,266 |
| 1942 | | 450,000,000 | 4,335,004 | 1953 | 250,000,000 | 211,982,000 | 2,012,788 |
| 1943 | | 400,000,000 | 4,427,271 | 1954 | 195,000,000 | 191,700,000 | [2] 1,500,000 |
| 1944 | | 302,500,000 | 3,349,531 | 1955 | 250,000,000 | [1] 216,000,000 | |
| 1945 | $300,000,000 | 342,658,000 | 2,956,316 | 1956 | [1] 175,000,000 | | |
| 1946 | 300,000,000 | 271,746,000 | 2,849,290 | | | | |

[1] Budget request.
[2] National Agricultural Limestone Institute's estimate.

Source: U. S. Department of Agriculture.

NOTE.—While the advance authorization and the actual appropriation are shown on the same line opposite the program year indicated, it should be understood that the actual appropriation occurs in the year following the authorization. Prior to 1945 fiscal year no authorization was contained in the appropriation act for the next program. Sec. 15 of the Soil Conservation and Domestic Allotment Act authorizes an appropriation for any fiscal year of not to exceed $500 million.

EXHIBIT II




1. LIME PURCHASED ENTIRELY BY FARMERS.
2. LIME PURCHASED WITH ASSISTANCE PROVIDED BY AGRICULTURAL CONSERVATION PROGRAM.

NALI—*March, 1955*

Therefore, we again strongly urge this committee to consider a minimum authorization of $300 million for the 1956 agricultural conservation program if we are to approach anything near an adequate conservation effort for our Nation's greatest natural asset—the soil.

Mr. MARSHALL. Thank you, Mr. Koch, for a very good statement.

Mr. KOCH. Thank you a lot, gentlemen.

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THURSDAY, MARCH 10, 1955.

## RURAL ELECTRIFICATION ADMINISTRATION

### WITNESSES

JACK SMITH, PRESIDENT, NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION, WASHINGTON, D. C.
CLARK T. McWHORTER, SOUTHWEST RURAL ELECTRIC ASSOCIATION, BLAIR, OKLA.
FLOYD JONES, GIBSON COUNTY ELECTRIC MEMBERSHIP CORP., TRENTON, TENN.
JOHN SARGENT, ADAMS ELECTRIC COOPERATIVE, RUSHVILLE, ILL.
LEO FORREST, DEAF SMITH COUNTY ELECTRIC COOPERATIVE, HEREFORD, TEX.
OLIVER G. ROSE, BUTTE ELECTRIC ASSOCIATION, NEWELL, S. DAK.
J. ARTHUR ANDERSON, POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, FORT COLLINS, COLO.
ALEXANDER HUDGINS, VIRGINIA ASSOCIATION OF ELECTRIC COOPERATIVES, RICHMOND, VA.
ERIC A. JOHNSON, WASCO ELECTRIC COOPERATIVE, THE DALLES, OREG.
W. GORDON LOVELESS, NORTHEASTERN ASSOCIATION OF ELECTRIC COOPERATIVES, EAST MONTPELIER, VT.
LEON MILLER, TOP-O-MICHIGAN RURAL ELECTRIC COOPERATIVE, PETOSKEY, MICH.
CHARLES J. FAIN, NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION, WASHINGTON, D. C.
T. W. HUNTER, NEWBERRY ELECTRIC COOPERATIVE, NEWBERRY, S. C.
CLYDE T. ELLIS, NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION, WASHINGTON, D. C.

Mr. MARSHALL. We are pleased to have before us representatives of the REA co-ops, testifying in behalf of the REA appropriations.

Mr. ANDERSEN. May I say we are glad to welcome this group before us. It is generally one of the highlights of our spring testimony each year. We are glad to see you here, gentlemen.

Mr. MARSHALL. And we are also glad to have before us our former colleague, Clyde Ellis, who served for a number of years with distinction in the Congress of the United States.

Mr. Smith, will you proceed.

Mr. SMITH. My name is Jack Smith. I am president of the National Rural Electric Cooperative Association. I am also manager of the Mecklenburg Electric Cooperative in Chase City, Va.

I would like to present a statement to the committee.

STATEMENT OF JACK SMITH

The National Rural Electric Cooperative Association is the national service organization of the rural electric systems. More than 90 percent of them—more than 900—are members. They are serving more than 3½ million farm families, or upwards of 15 million rural people in 42 States and Alaska.

Agreeable with you, Mr. Chairman, I shall make but a brief statement and then present the chairman of our legislative committee, who will be in charge of our presentation.

First may I say that we of the rural electric systems are eternally grateful to this great committee of the United States Congress, and to the whole Congress, for its continued considerate and sympathetic understanding of our farm problems and the support of the rural-electrification program.

There is every evidence that farm people are going to continue to use electricity at the rate of approximately 100 percent increase every 4 to 5 years. This means that we are going to have to continue the process of enlarging our facilities—our lines, transformers, substations, and all other facilities—for as long into the future as we can see. In some cases we are going to have to generate our own power where we have not had to do so in the past. And we are going to have to continue adding new units to the generating plants that we have already built.

As you know, in fiscal year 1953 we were generating only about 14 percent of the power we use. We were buying about 49 percent of it from the commercial utilities, and about 37 percent of it from the Federal Government and other public agencies. We estimate that our wholesale power cost amounted to $140,600,000—this cost of power includes cost of purchased power and prime costs involved in the production and transmission of generated energy—in the last calendar year.

Now this all means that we are going to have to continue to borrow rather substantial amounts of money from REA in order to continue our building program. Most of our expansion from here on will be vertical—not horizontal or geographical.

I, of course, do not minimize the importance of our serving as many of approximately one-half million unserved farm homes and rural establishments as are possible for us to reach.

As you know, we are paying off our loans, with interest, and, while we are having quite a struggle in many areas meeting the payments, we are proud of the fact that our repayment record is still unexcelled, and we mean to keep it that way.

Since we are operating in the relatively thinly settled rural areas, in what the commercial power industry regards as marginal or unprofitable territory, and because of the fact that we farm people must continue to pay off our loans, we don't have an opportunity to accumulate sufficient reserves to permit our building program to continue without at the same time continuing to borrow from REA. The continued availability of adequate REA funds at the existing interest rate is still vital to this vertical growth of the rural-electrification program.

The only new matter we are asking for this year is that you earmark a reasonable, relatively small, amount of REA administrative funds to be used to assist the rural electric systems in exploring the possibilities of participating in the atomic energy program.

Chairman Gordon Loveless of our atomic energy committee will present our request after the legislative committee members have spoken.

In summary, the National Rural Electrification Co-op Association represents approximately 90 percent, or a little better than 90 percent of our rural system. More than 900 of them are members of this service organization. They serve about 3½ million rural families in the United States and Alaska.

I would like to say we are grateful to this committee for the fine cooperation that we have received in the past, and the support that you have given to our program.

I would like to indicate to you that all the evidence we have now shows that the load of our system, or the use of electricity is increasing approximately 100 percent every 4 or 5 years. Therefore, our needs for funds for expansion to take care of the vertical growth of our system is quite important. Not overlooking the fact that there still are approximately half a million unserved farms that we hope to reach.

It is also important that our systems have financing for generation and transmission of power. At the present time, the systems are generating approximately 14 percent of the total power that they use. Forty-nine percent they buy or purchase from commercial power companies, 37 percent from Government agencies, and other public agencies.

The total cost of that power last year, we estimate to be approximately $140,600,000. As you probably know, the cooperatives are paying off these loans to REA, or to the Government, with 2 percent interest, and we are pleased with the record they have made in this repayment program, and we hope to keep it that way.

The only new matter that we want to present, or that we are asking for this year, is a reasonable amount of money, a relatively small amount to be made available through the administrative funds of REA for use in exploring the possibilities of atomic energy for use by the cooperatives, in generation of power. Mr. Gordon Loveless, the chairman of our atomic energy committee, is with us to discuss that with you and he will appear, I believe, after the legislative committee has appeared.

Mr. Chairman, I believe that is the end of my brief statement and I appreciate your having listened to me.

Mr. MARSHALL. Thank you for your statement.

STATEMENT OF CLARK T. M'WHORTER

Mr. MCWHORTER. Mr. Chairman and gentleman of the committee, my name is Clark T. McWhorter. I am a cotton, alfalfa, and livestock farmer in Oklahoma. I live on the farm out from Blair, Okla.

I am a director of the Southwest Rural Electric Cooperative Association at Tipton, Okla., and am past president of the national association. For the past 4 years I have been serving as the chairman of the legislative committee for the association. Each year in our

regional meetings we elect one member from the regional meeting to serve on our legislative committee. Those members are here today, one from each region. We are here to tell you what we feel the grassroots thinking of our members is, in regard to our needs. When I say grassroots members, they are your friends, too.

We met in Washington and studied this problem of ours in regard to funds yesterday and today, and if it is agreeable with you, Mr. Chairman, we have divided up the text of the material into categories so that we will save time and, too, will give you a good look at the situation.

Mr. MARSHALL. We appreciate that.

Mr. MCWHORTER. I want to express my appreciation to this committee as did Mr. Smith for the fine way you have always received our testimony. The witnesses will discuss such matters as our electric loan fund authorization, the telephone fund authorization, administrative funds and research, together with the item of atomic energy funds as applied to agriculture, the side particularly dealing with the generation of electricity for our farm and rural purposes. I would like to present my prepared statement for the record.

Thank you again for this opportunity to appear before you.

(The statement of Clark T. McWhorter follows:)

My name is Clark T. McWhorter. I am a cotton, alfalfa, and livestock farmer. I live on the farm out from Blair, Okla., and am past president of the Southwest Rural Electric Association at Tipton, Okla., and am past president of the National Rural Electric Cooperative Association. During the past 4 years I have served as chairman of the legislative committee.

For your information, the national association, at its regional meetings held throughout the Nation, elect one member from each region to serve on this committee. This committee studies the program and policies of our association as expressed by our resolutions from the members. We will appear before this committee and the Senate committee to make our needs and views known to Congress.

We met here in Washington yesterday and for 2 days have studied the various problems of the rural electrification and rural telephone programs from the standpoint of funds needed for loans and administrative purposes.

As in the past, and agreeable with the committee today, I would like to make a short general statement, then I would like to call upon members of our committee and staff to make short supporting statements on specific points, and finally, I will call upon our general manager, Clyde T. Ellis to pick up the loose ends at the close of our presentation.

May I express our appreciation to the members of this committee for your fine support in the past and for the opportunity of appearing before you today.

The Rural Electrification Administration was created by the Congress and has served as banker and technical advisor in electrifying rural America. Today we would like to make known our feelings, as expressed by grassroots resolutions, in regard to appropriations for that agency and for the Farm Electrification Division of the Agriculture Research Administration, which is carrying vital research into the uses of electricity on the farm.

ELECTRIC LOAN FUND AUTHORIZATION

We urge this committee to recommend to the Congress that $204.5 million be authorized in electric loan fund authorization for the next fiscal year and a loanable contingency of between $200 million and $300 million.

TELEPHONE LOAN FUND AUTHORIZATION

In order for our telephone program to progress as it should, we recommend a telephone loan fund authorization of $125 million for the next fiscal year and, if any of this is in the form of a contingency, we trust you will make the contingency loanable. As a farmer who lives out on the farm, I realize the need

and value of good telephone service both as an aid to my own farming operations and to the electrics because of the fact we would be able to report outages quickly.

ADMINISTRATIVE FUNDS

We urge that you make available adequate loan funds for administrative purposes, a substantial amount of which to be used by REA in studying the application of atomic energy to the generation of electric power in rural areas.

RESEARCH

We ask that an adequate amount of funds be set aside for farm electrification research. This is a much needed field and it will aid our farmers greatly. We are asking for $300,000 and urge you support this item.

In closing my part of this presentation, may I say thanks for this opportunity of appearing before you.

Mr. McWHORTER. Our first witness to discuss administration of the electric loan fund is Floyd Jones.

STATEMENT OF FLOYD JONES

Mr. JONES. My name is Floyd Jones. I am manager of the Gibson County Electric Membership Corp. at Trenton, Tenn. I am president of the Tennessee Statewide Association of REA Cooperatives and am a member of the National Rural Electric Cooperative Legislation Committee, representing the States of Kentucky, Tennessee, Alabama, and Mississippi.

I would like to present to your our recommendations with regard to electric loan funds. These recommendations will be based upon a survey made by the Rural Electric Cooperative Association as of January 1, 1955. Great effort, sincere effort, is put forth toward getting as reliable information as we can get to properly present our recommendation to you.

The tabulation of this survey was completed only a few days ago. It reveals that our REA borrowers, both for distribution and power, expect to make, during an 18-month period, application for funds in the amount of $276.5 million. Now, the history of the applications also tells us that, looking that far ahead, the actual applications are more than the indications as shown in the survey.

Now, as of January 1, REA had a backlog of electric loan applications in the amount of $103.7 million. That is a little high, we think, because at the present rate of progress that is an 8-month program. Waiting 8 months to have an application approved is rather long. We suggest funds be appropriated in the amount of $53.7 million to reduce that backlog. Adding those together we get an electric loan program need, for 18 months, of $330.2 million.

Now, on January 1, 1955, also, REA had on hand unallocated loan funds in the amount of $121.7 million. That, incidentally, does not take into account the $35 million contingency fund available as of January 1. If any part of that contingency fund is drawn down by the administration, then that should be deducted from our request.

They expect to make rescissions in the amount of $4 million, making a total available of $125.7 million. Subtracting that from the loan needs indicates that we would need a new loan fund authorization for fiscal year 1956 in the amount of $204.5 million.

I am attaching exhibit 1 to my statement showing in detail how that was arrived at. In the interest of saving time, I will let the remainder of the statement remain for itself. I appreciate your consideration in the past. We try to merit your consideration now.

Mr. MARSHALL. Thank you, Mr. Jones. Your statement will appear in the record at this point.

(The statement of Mr. Floyd Jones follows:)

Mr. Chairman and gentlemen of the committee, my name is Floyd Jones. I am manager of the Gibson County Electric Membership Corp. of Trenton, Tenn. I am president of the Tennessee Statewide, and a member of the National Rural Electric Cooperative Legislative Committee, representing the States of Kentucky, Tennessee, Alabama, and Mississippi.

I would like to present to you our recommendations on REA electric loan funds and the reasons for this request.

We make a sincere effort to get reliable information for the purpose of making a recommendation to your committee. For this purpose we conduct an annual survey of all the public and cooperative electric systems which borrow funds from REA. On the basis of the replies to this survey we make our recommendations to you.

This annual survey was made as of January 1, 1955, and the tabulation of the replies was completed only a few days ago. This tabulation reveals that in the 18-month period from January 1, 1955, to June 30, 1956, the REA distribution and power borrowers expect to make applications for $276.5 million of electric loans. Experience in the past has taught us that these replies are conservative. The history of the actual applications as compared to the intended applications indicates that actual applications are always for more funds.

On Janury 1, 1955, the REA had a backlog of electric loan applications in the amount of $103.7 million. On the basis of the present progress, this represents the amount of money that would be loaned in an 8-month period. We believe that 8 months is a longer waiting period than is justified. We therefore request that consideration be given to the appropriation of $53.7 million for reduction of this backlog. Adding the $276.5 million and the $53.7 million we get a total electric loan program need for the 18-month period in amount of $330.2 million.

On January 1, 1955, REA had on hand unallocated loan funds of $121.7 million. This does not take into account the contingency fund of $35 million available as of January 1, 1955. If the Administrator draws down any part of this contingency fund our request should be reduced by that amount. They expect to make rescissions in amount of $4 million during fiscal year 1956, making available $125.7 million in REA electric loan funds to apply to our estimate of loan needs. Subtract this from the loan needs of $330.2 million, we arrive at the need for new loan funds in amount of $204.5 million.

Attached as exhibit No. 1 is a table showing in detail how we arrived at our estimate of the need.

Our information is that an application will be made for generation and transmission loans in amounts of some $25 million for a single system. Also we are informed that there are applications pending at REA for several large generation and transmisison loans from the State of Colorado. Our people in Colorado believe these loan needs should be met in this fiscal year, and if not then certainly they should be met during the next fiscal year. In order that loans of this amount might be made, because of the formula in the act, we recommend that a contingency fund of some $250 million to $300 million be authorized.

The need for these generation and transmission loans will be discussed by other members of the committee.

Gentlemen, I would like to express to you our appreciation for your consideration in the past. In preparing this statement I have made every effort to further merit your consideration of our request.

I thank you for this opportunity to present our needs.

EXHIBIT No. 1

*NRECA estimate of REA electric loan fund needs*

| | |
|---|---|
| REA backlog of electric loan applications in Washington Jan. 1, 1955 | $103,671,000 |
| Less estimated backlog at end of fiscal 1956 | 50,000,000 |
| Balance to be loaned | 53,671,000 |
| Amount rural electric systems plan to apply for Jan. 1, 1955, to June 30, 1956 | [1] 276,509,329 |
| Total electric loan funds required Jan. 1, 1955, to June 30, 1956 | 330,180,329 |
| Less electric loan funds available to REA Jan. 1, 1955, from fiscal 1955 funds (plus $4 million REA plans to rescind during fiscal year 1956) | [2] 125,699,812 |
| New electric loan fund authorization required | 204,480,517 |

[1] According to the NREAC annual Jan. 1, 1955, survey.
[2] Does not include a contingency fund of $35 million available for the current year. If the REA Administrator draws down part of this continuency, then the NRECA request should be reduced by that amount.

Mr. NATCHER. You represent Tennessee, Kentucky, and Mississippi?

Mr. JONES. And Alabama.

Mr. NATCHER. All fine States.

Mr. JONES. Thank you.

Mr. NATCHER. Mr. Jones, when the Solicitor was before this committee we went into detail with him in regard to the approval of the REA loans. Is there a bottleneck as far as approval of any of these loans is concerned? Is there unncessary delay? The members of the committee certainly do not intend to have any unnecessary delay.

Mr. JONES. To the best of our information there is not a great deal of delay at the present time. All we can judge by is this vacuum. The present loan rate is at the rate of about $160 million to $165 million per year. Now, the backlog of $103 millions is two-thirds of that and that is an 8 months' program and that is on what I base my statement.

Now, at the present time when a cooperative makes application for a loan, it is for system improvements and it is for needs that need to be met right away. That is within 6, 8, 10, or 12 months. Now, to wait 8 months until the money is allocated and then wait for engineering plans and specifications to get material, makes the fulfillment of the whole project a year and a half.

Well, now, a farmer doesn't want to wait a year and a half to add a milking machine, you see, so we take it that 8 months is a little too long. We recognize that there must be some lag here, but we think that 8 months is too long for a co-op to wait from the time he makes an application, until the allotment is made, and he can't do very much planning until the allotment is made. He can't start an engineering study, he can't buy materials, he can't make a contract, so work cannot go forward until the allotment is made. That is why I think the making of an allotment should be speeded up some. We recognize at the present time the program is in better shape than it was a year ago.

Mr. MCWHORTER. John Sargent will discuss telephone loan funds.

STATEMENT OF JOHN SARGENT

Mr. SARGENT. Mr. Chairman, my name is John Sargent and I am a farmer living at Rushville, Ill. I am president of the Rural Electric Co., operating at Camp Point, Ill. I represent region V.

I would like to make this statement very brief. The telephone program, we feel, should have $125 million appropriations. That was the conclusion arrived at by the NRECA Telephone Committee. It was considered and adopted by our own legislative committee and we are hoping it will speed up the telephone program to some degree. We are asking for $125 million. I am submitting a statement which I would like to read.

I have been delegated by our committee to discuss the REA telephone program with you. There is a great need for good telephone service in our country among the farmers. In many areas of our country there is no telephone service at all, and where this service, some of it is very, very poor. Long distance service cannot be used because one cannot hear due to the poor equipment the telephone companies have. The farmer is in need of good telephone service in order to get in touch with the fire district if necessary. Also telephone service is essential in doing other business pertaining to marketing of produce, calling a doctor and getting help on repairing machinery. In the areas served by the rural electric systems, good telephone service is essential to good electric service because it provides a means of reporting out ages promptly.

We have in the United States 5,535,000 farm homes. Only 43 percent of the farm homes have telephone service now, which leaves 57 percent without service, which is a deplorable situation for the farmers of our country. With 93 percent of the farms having electric service available, we feel they should have good telephone service also.

We are discouraged by the slow rate at which our farms are receiving telephone service under the provisions of the Rural Telephone Act. In 1950, shortly after the Rural Telephone Act passed the Congress, only 38.3 percent of our farms had telephone service. Today a little over 43 percent have such service. This is an increase of only 4.7 percent in the 5 years since the passage of the Rural Telephone Act. At that rate, 1 percent a year, it will take over 50 years for the rural areas of our country to obtain the same amount of telephone coverage as there is now electric coverage. Approximately 93 percent of the rural areas now have central station electric service. It seems a shame that my neighbors have to wait so long to receive this service they want and are willing to pay for. They understand fully that they are receiving this service through a loan from the Government, a loan which they must repay in full with interest. If they are willing to assume this obligation, why don't REA do something to stimulate the development of telephone service in the rural areas so that some of us won't have to wait years and years before we receive such service?

The percentage of farms having phones in 1950 was actually less than the percentage having phones in 1920. A very small amount of progress is being made in the rural telephone program as compared with the electric program. One must also consider that many of the farms listed as having phones have the old "whoop and holler" type which certainlly cannot be considered adequate telephone service. I personally don't know exactly what accounts for this long delay in

making telephone service available to the rural people, but it must be due to a combination of factors, among which are inadequate telephone loan funds which I will discuss in a few minutes, and perhaps also insufficient personnel at REA and in the field to readily process the loans and give technical service in the field in the preparation of loan applications.

In view of the fact of the pressing need for rural telephone service in the country and the fact that the administration is only asking for $70 million in new funds with a carryover and rescission of $10,158,176 or a total of $80 million, we feel that this request is inadequate to take care of the loan funds which are needed to accelerate the telephone program. With a backlog of $106,653,869, which consists of $46,419.869 in applications in Washington and $60,234,000 in the field as of February 11, 1955, and with new applications coming in every day and only a request for $80 million requested for telephone loan funds, this means that there will not be sufficient funds to take care of both the backlog and the applications that are coming in.

Because of the large backlog of telephone loan applications pending at REA, the number of applications coming in every day and the fact that so much of the rural area is still unserved, we ask this committee to increase the amount of telephone loan funds requested from $80 million to $125 million. This is also the recommendation of the NRECA Telephone Committee which is composed of 1 person from each of 10 regions of the United States. Most of these people are actually engaged either as a manager or director of a local rural telephone system. Also attached you will find a copy of the telephone resolution which was considered and adopted unanimously at our recent meeting in Atlantic City. I would like to offer that for the record.

Gentlemen, we urge you to give us the requested $125 million for the telephone program this year and give us the enough administrative funds to carry out this program. To substantiate our request for the $125 million in loan funds, I also have a telegram received from Riggs Shepperd, president, National Telephone Cooperative Association, and manager, Southwest Texas Telephone Cooperative, Hondo, Tex., which I would like to enter into the record.

I want to thank you for the opportunity to appear here today.

Mr. MARSHALL. The resolution and letter will be made a part of the record.

(The material is as follows:)

RESOLUTION No. 10–A

(Resolution adopted by the National Rural Electric Cooperative Association annual meeting, February 17, 1955)

Whereas less than one-fourth of the farmers are at present receiving adequate telephone service: Now, therefore, be it

*Resolved*, That Congress be urged to make sufficient appropriation for REA administrative and loan funds so that the most active and determined effort can be made to provide adequate service to all rural areas.

MARCH 9, 1955.

JOHN SARGENT,

*Member, Legislative Committee, National Rural Electric Cooperative Association, Washington, D. C.*

DEAR SIR: Since the Rural Electrification Administration has more than $46 million in backlog of applications for telephone loans and since it is estimated that there is more than $60 million in applications now being processed in the

field and since the latest agricultural census shows that approximately 57 percent of the Nation's farms and ranches do not have telephone service we request that you support a request to the Congress for $125 million in loan authority for the REA for the fiscal year of 1956. It appears certain that if approximately 57 percent of the Nation's farms now unserved are to receive telephone service in a reasonable period of time, the present lending rate of REA will have to be increased with loan authorizations and additional administrative funds as required.

Sincerely yours,

RIGGS SHEPPERD,
*President, National Cooperative Association.*

Mr. SARGENT. Gentlemen, if there are no questions, I would like to be excused as I am trying to catch a plane.

It has been a great pleasure to be here and meet with you gentlemen. I hope you see fit to go along with our request.

Thank you, gentlemen.

Mr. MARSHALL. You are referring to loan authorization when you say appropriation.

Mr. SARGENT. Loan authorization, yes. Thanks for the correction for the record.

Mr. MCWHORTER. The next witness is Leo Forrest. Do you have a prepared statement?

Mr. FORREST. I have no prepared statement. I came along to help Mr. John Sargent, but I am manager of an electric cooperative and also am in charge of the operation of a telephone cooperative of which I am manager. I represent the State of Texas, the State of New Mexico and Arizona, on the legislative committee.

STATEMENT OF LEO FORREST

Mr. FORREST. You people have been very kind in letting us appear before you to present our needs. I would like to emphasize a few things in regard to Mr. Sargent's request of $125 million. At the present time in REA, there is slightly more than $46 million in telephone applications. There are $60 million plus in telephone applications in the field, making a total backlog of some $106 million.

We understand the Bureau of the Budget is asking for $70 million. We think it is not enough money since there are some 57 percent of the farms without telephone service. Some who have telephone service have such inadequate services that it is not possible to use it for long distance. I have a small ranch and stock farm south of Kansas City that has had one of these telephone systems and all we can do is call the other operators and ask to have a man on the ranch call me so I can talk with him. He says he can hear me but I can't understand him—I mean I can hear him but he can't understand me. If I am going to pay for the call, I want to do part of the talking.

We think that our request of $125 million is not too much. The rate at which telephone lines are being installed is too small. Thirty-eight and three-tenths percent of the farmers had telephones in 1949. This amount it is estimated has increased to 43 percent, or about 1 percent per year. On that basis it would take 50 years to get telephones to farmers. We believe that is too long because some of us would rather talk to our children and our grandchildren now instead of in the hereafter.

We thank you very much for your time and if there are any questions I will attempt to answer them because I have worked with the

telephone cooperative from the time we started trying to get the lines until we buil it and acually had it in operation.

Mr. MARSHALL. Thank you. We appreciate your statement.

Mr. MCWHORTER. The next man is Mr. Oliver Rose, Mr. Chairman, who will discuss the association and its needs.

STATEMENT OF OLIVER G. ROSE

Mr. ROSE. Mr. Chairman and gentlemen of the committee, my name is Oliver G. Rose, of Nisland, S. Dak., near where I own and operate an irrigated farm. I am president of Rushmore Generation and Transmission Electric Cooperative of Newell, S. Dak., serving approximately 10,000 members in southwestern South Dakota and several thousand in northeastern Wyoming. I am also president of Butte Electric Cooperative, a distribution cooperative in my local area. The past 2 years I have been on the National Rural Electric Cooperative Association Legislative Committee representing region VI, representing the States of Minnesota, North Dakota, and South Dakota, which have over 311,000 connected members.

It is my privelege to be associated with this group in appearing before your distinguished committee for the purpose of discussing the ever present and ever growing needs for funds for generation and transmission.

In the past, and the same holds true today, we have been fortunate or maybe we have been unfortunate, in building up our distribution cooperatives and acquiring heavy loads in our areas that have in many cases exceeded our power supply.

Whereas the demand for electricity throughout the whole power industry of the United States is doubling every 7½ to 10 years, the demand for power on the part of the farmers is doubling every 4 to 5 years. In other words, our systems are using 15 to 20 percent more power each year and compounded this means 100 percent increase each 4 to 5 years. In 1952 the total input in kilowatt hours of all REA borrowers was 11.991 billion kilowatt hours, and in 1953 this had increased to 13.89 billion kilowatt hours, or an increase of 15.8 percent. We do not visualize this upward trend leveling off at any time in the foreseeable future. In exhibit No. 1 you will note that the input of all the REA borrowers is projected into the future. The figures after 1953 are REA estimates, and we believe they are conservative based on past experience.

This brings us face to face with the problem which the entire electrical industry faces today—a shortage of wholesale power. On the NRECA January 1, 1955, annual survey, 58 systems stated they are handicapped by present shortages of wholesale power, and 125 rural electric systems stated they do not have enough power in sight for future growth. And in many cases the very existence of the cooperatives depends on their ability to borrow moneys from the REA to build their own generation and transmission systems to meet their increased power needs.

In some areas the power is absolutely not available from any existing source or any outside planned source at a cost the cooperatives can afford to pay. And in other areas their source of power is not on a firm basis and therefore cannot be considered as a dependable source for reasonable service to their members.

In my own area we have a power shortage situation in which a generation loan must be secured in order for one of our cooperatives to serve their area and it almost amounts to the cooperative's very existence. As the securing of power from any other source available—if it could be found at all—would be at a far greater per kilowatt-hour cost than the co-op would pay and remain solvent.

The same situation exists in other parts of the Missouri River Basin, even with the large blocks of power generated by the river projects it still does not meet the demand for firm power that is needed. And some of these river facilities will not be in operation for 5 or 6 years and the power needs must be met now. These new plants that should be built now will fit into the future river development and are not something just for a short period of time, or which would be surplus in a few years.

In asking for money for generation and transmission loans we are not trying to take over any other person's field, but we are trying to keep up with our own load growth when it appears and not be faced with a brownout which has happened in many areas. The generation program is not one that can be solved immediately, but must be planned at least several years ahead so the plants are available when the need for them arises.

Also we must have money available for loans for generation and transmission which we can use as a power to bargain with in dealing with other sources of power. In the case I mentioned above the difference between the power generated by the cooperative and power from any source available would be about 7 mills saving to the cooperative having their own generation.

In many areas of the country the only bargaining power the rural electric systems have is the generation and transmission program. Without this bargaining power they would be completely at the mercy of their private power company suppliers. I have heard of one instance recently in the Northeast where the cooperatives formed a generation and transmission cooperative and even before they had their engineering studies completed the private power companies offered the cooperatives in this particluar area rate reductions ranging from 14½ to 21 percent. Of course, if there are not sufficient funds for this generation and transmission program, this bargaining power will be meaningless, in spite of the fact that the REA Act authorizes the granting of such loans if necessary. We appreciate the support this committee has given the generation and transmission program.

We are making progress in the generation and transmission program. Costs are being brought down as our loads increase, and as we obtain increased operating efficiency because of longer operating experience. In fact, figures obtained from REA show that the generating cost of the REA-financed generating and transmission systems for the calendar year 1953, ranged from 1.93 mills to 11.8 mills per kilowatt hour—the 1.93 mills is so low because it includes some hydrogeneration—while in the comparable period of 1952, they ranged from 2.6 to 16.2 mills per kilowatt-hour. Again the 2.6 mills is so low because it includes some hydrogeneration. It certainly is encouraging to note that these cost are coming down.

We are pleased to note that REA in 1954, made generation and transmission loans totaling $40.3 million or nearly 24 percent of all

loans approved by REA during the fiscal year. On January 20, 1955, the REA Administrator, Hon. Ancher Nelsen, stated in a release:

In 1954, REA borrowers added 26 generating units to their systems. These units have a greater capacity than all the REA-financed generating plants in service January 1, 1948. The new capacity sets a record for any 1 year of the program. The next highest year was 1951 when 115,000 kilowatts was added. Total generating capacity of REA-financed systems now is 880,000 kilowatts, compared with 184,040 kilowatts in 1948.

We certainly are pleased with this progress. We are concerned with the fact that not one of these loans was made to a new federated generation and transmission cooperative. Federated generation and transmission cooperatives are, of course, the ones that provide us with our real bargaining power, because in these cooperatives we can achieve real operating efficiencies and act as a competitive element in the area. We want to see new units added to existing generation and transmission cooperatives when required, and we also want to see generation and transmission loans made to single distribution cooperatives where required. At the same time, we believe the need exists for some new federated generation and transmission cooperatives, and we want to see the REA Administrator make such loans where necessary.

Again I wish to thank the committee for their fine support of the generation and transmission program. I am sure the farmers all over America are grateful to this committee for this support and the more adequate power at lower cost which has resulted from it.

I would like to ask that this exhibit be placed in the record.

Mr. MARSHALL. That will be fine.

(The exhibit is as follows:)

*Estimated input of kilowatt-hours of energy of REA borrowers, by calendar year, 1943–63* [1]

| Year | Input in kilowatt-hours (billions) | Percentage increase over preceding year | Year | Input in kilowatt-hours (billions) | Percentage increase over preceding year |
|---|---|---|---|---|---|
| 1936 | [2] | | 1950 | 8.308 | 23.0 |
| 1937 | [2] | | 1951 | 10.241 | 23.3 |
| 1938 | [2] | | 1952 | 11.991 | 17.1 |
| 1939 | [2] | | 1953 | 13.890 | 15.8 |
| 1940 | [2] | | 1954 | [1] 15.480 | [3] 11.5 |
| 1941 | [2] | | 1955 | 16.810 | 9.6 |
| 1942 | [2] | | 1956 | 18.150 | 8.0 |
| 1943 | 1.920 | | 1957 | 19.480 | 7.3 |
| 1944 | 2.188 | 14.0 | 1958 | 20.820 | 6.9 |
| 1945 | 2.417 | 10.5 | 1959 | 22.160 | 6.4 |
| 1946 | 2.817 | 16.5 | 1960 | 23.490 | 6.0 |
| 1947 | 3.812 | 35.3 | 1961 | 24.830 | 5.7 |
| 1948 | 5.232 | 37.3 | 1962 | 26.170 | 5.4 |
| 1949 | 6.782 | 29.6 | 1963 | 27.500 | 5.0 |

[1] Actual input through 1953; estimated for 1954–63. Input excludes power produced for resale to non-REA borrowers. Source: REA.

[2] Data for years 1936–42 not available on comparable basis. Gross input for earlier years destroys comparability because data on energy generated for resale to non-REA borrowers is not available.

[3] In the 5-year period 1949–53, inclusive, energy input more than doubled (1953 was 105 percent of 1949).

Mr. ROSE. When I said we were a little bit off with our references to the cooperative above, if we cannot get a loan, which we have applied for now for that cooperative, their power is going to cost them about 1.4 cents, which they cannot stand. Under the genera-

tion loan, which now has been applied for, their power rate will be about 8 mills. That shows you what generation and transmission lines will do for the co-ops.

Another thing I think is very important: At the present time about our only bargaining agent with the private power companies is the generation and transmission program. I think in several cases they have found that by just the threat of a generation loan they have gotten a reduction of 4, 5, or 7 mills. I know a lot of people say that the co-op generating plants are not efficient. The cost of power is too high. However, you will find that it is gradually being reduced each year.

Mr. MARSHALL. What difficulty are you having in getting your generation?

Mr. ROSE. I can't answer that. The loan application hasn't been in too long, and I don't anticipate too much trouble. As far as the loan is concerned, it is not a matter of feasibility exactly, but just how it can be worked out. We have Bureau power on one side of the mountains, and we have a little excess, but we have no way to get that power over the hills except over the private power companies' lines. We are trying to get the new line to serve this co-op in Wyoming. In fact, they have a stop order on a line now, for a direct line, unless they have an adequate source of power which the proposed plant, it is anticipated, will settle. But if they do not get this plant, it means that direct line will not be built. In other words, the cooperative will have to get along on just about half of the area it figured on so to start with. I don't know if you gentlemen know eastern and northern Wyoming and western South Dakota. We are not very close together there, and they have to have these—this load they want to pick up is all in an oilfield—the customers who are living there are willing to pay this cost of the power. That is, the commercial load, with the local consumers, will help the cooperative meet its debt to REA for the loan.

In the past few years generation and transmission loans have been made, and we are thankful for that, and appreciate it. Most of these loans have been made to already existing generation and transmission cooperatives, or to single-distribution cooperatives requiring generating units. Most of them have been additional units installed to increase their capacity, especially of the generation and transmission cooperatives, and some of them have or are being made to individual distribution co-ops for generation. We are sorry to say in the past 2½ years there have been no new federated generation and transmission and co-op loans. By "federated," I mean where a group of distribution cooperatives, such as ours, go together, 5, 6, and sometimes 15 or 20, go together and try to solve their problems all at once with one big efficient plant. We know that is the kind of a plant to build. Get enough load so that you can build one of these 20,000, 30,000, or 40,000 kilowatt-hour plants that can be operated efficiently. These small plants, I will agree, are not as efficient as larger plants, and if you're going to do it individually, with each co-op building a plant, I think we will run into trouble that way. But if we have a number of co-ops these federated co-ops operating together and trying to solve their problems with one large plant, I think that is our solution in these power-scarce areas.

I don't know exactly what generation and transmission funds will be required. I suppose they are part of the general authorization but from what I have already seen since I have been down here in Washington and knowing our own area, it looks like it will take considerable funds to make the necessary generations and transmission loans if they are going to do us any good. I think this is one place where we are going to have to push ahead because a lot of co-ops are having wholesale power supply problems. In the NRECA annual survey included in one of the tables in my statement it shows 183 co-ops are short on power and they just don't know where they are going to get it because the power companies considering their own loads and our loads just can't keep up.

Another thing, this is one program that cannot be put off 1 year, 2 years, 3 years from now, when the problem gets there. This has to be solved several years ahead of time because it takes considerable time to build these plants. We have to project our use into the future at least 3 years to get these plants started now, to meet the demand when it hits, here.

We hope we can get the money to make these starts so we don't come in, in a few years, and say, "We are sorry, but this co-op is in trouble and there is nothing we can do about it."

We should consider these plans 2 or 3 or 4 years in the future.

I thank you gentlemen for your time.

Mr. ANDERSEN. Mr. Rose, coming from western Minnesota as I do, I am very much interested in your remarks to the effect that you don't feel there will be sufficient power in that area in the future. Do you mean even after the Missouri River is developed?

Mr. ROSE. That's right. I read in the paper the other day that the Missouri Basin will not be able to meet the needs of the power that will be required in the Missouri Basin in 1970. It will be completely out of power and right now we will have a shortage, as you know, in your area. From now until 1958 we will be short on power and as the others come in it will pick that up but I think our loads are going to increase.

Mr. ANDERSEN. If that is the case—and I think you are correct—why should South Dakota, for example, urge the establishment of industries along the Missouri River? I noticed an article to that effect the other day.

Mr. ROSE. You might call that propaganda where we all try to get something.

Mr. ANDERSEN. Perhaps so, but it seems to me we should go very slow in getting large aluminum industries out that way. We in western Minnesota might not otherwise get the benefits of the hydropower we have been waiting for for years.

Mr. ROSE. Maybe I can answer that in this way——

Mr. ANDERSEN. I am not insinuating that the people in South Dakota feel that the power belongs to them alone. We in western Minnesota have a vital interest, as you know, in this energy, created by the money of all taxpayers in the United States.

Mr. ROSE. Several years ago when we were talking about the power on the Missouri, the Interior Department told us we would have power running out of our ears. We couldn't possibly begin to use that power. However, today they tell us that there will be just so much

of this power that will be firm, and that we should go out and look for what we will need over a certain amount, ourselves. We have been told that several times by Mr. Andoff that they will not be able to meet the needs in the Missouri River Basin because there will not be that much firm power. If you can operate your industries with dump power and secondary power, you can move a lot of industry, but the way it is set up today, we will not have enough firm power, even in 1960 or 1961.

In our country up there, you know, you could stand a tremendous amount of power to be transported up there if they had the lines up there.

Mr. ANDERSEN. I think you are very correct in one statement you have made, here, today—and I have always held that—and that is this, that unless our cooperatives have the right to at least request loans for generating purposes, they are put at an extreme disadvantage in dealing with private utilities.

Mr. ROSE. You have some very good examples in northern Minnesota.

Mr. ANDERSEN. Call it pressure or what you might wish, I still think it is good business to have sufficient money available for generating and transmission facilities, just to bring private utilities down to a reasonable level in dealing with our cooperatives.

Mr. ROSE. That is exactly our feeling, Congressman. We are glad to hear you say it.

Mr. ANDERSEN. You must have a bargaining element.

Mr. ROSE. That is about the only one we have, these generating loans. We can go to the power company and say, "We can't pay this 1.2 cents or 1.3 cents, and it has to come down."

Mr. ANDERSEN. Mr. Rose, you represent my part of the country. I have been delighted in the last few years in seeing the cooperation which exists, today, between our large private utilities, there, and our cooperatives. However, I also recall before a Senate subcommittee 4 or 5 years back when the cooperatives and myself sat on one side of the table and the private utilities on the other and at very divergent distances in regard to the developing of this hydropower. But now they have come to a very good agreement, I feel, one that is fair to everybody concerned. Nevertheless in spite of that, I still want to see our REA's have the right to make loans for generating and transmission purposes, if they need it.

Mr. ROSE. I think I can speak for all the gentlemen here. They are really glad to hear that because that is our one bargaining agent and that is the reason why they are sitting across the table today and agreeing with you because we have that bargaining power, here. If they don't give it to us at a reasonable cost, you gentlemen will give us enough money to go build our own.

Mr. ANDERSEN. I know I personally will try to do so as long as I am on this subcommittee.

Mr. VURSELL. At this point in the record, I would like to say that, as I recall, you and I took that position in the debate on the floor of the House, Mr. Andersen.

Mr. ANDERSEN. A good many years ago, Mr. Vursell.

Mr. VURSELL. Yes; and particularly last year, as I recall—I think it was last year. I would like to associate myself with the remarks of Congressman Andersen from Minnesota.

Mr. ROSE. The only thing that has worried us in the last 2½ years is that there has been no new federated cooperative started.

Mr. ANDERSEN. Now, what is the reason for that? It isn't because of the lack of loan money or something that this subcommittee could do, is it?

Mr. ROSE. No; I don't think so. I don't think it has been a lack of funds. It has just happened that way.

I know that Mr. Sergeant from Illinois would back me up in this: There is one quite large generation loan that will be in from Illinois. I have an idea it will be filed in the next 6 months, if Mr. Sergeant is correct. It is estimated it will amount to around $25 million for one of these plants. That is big money. Our plants in our area are just drops in the bucket—they amount to $3,500,000—but when you go to $25 million that is the kind of power those men need out there.

Thank you, gentlemen.

Mr. MARSHALL. At this time we would like to call on Congressman Deane. He has another engagement and he has some questions.

Mr. DEANE. Thank you, Mr. Chairman. I am forced to leave. I want the record to show my tremendous interest in the REA program. Mr. Ellis, I want you to comment on the REA loan program. We are advised that some 1,000 loans have been made and that 14 loans are delinquent. Do you know whether or not you consider those delinquencies, some 14, to be of a serious nature?

Mr. ELLIS. I am not sure that I can answer as to a particular one, Mr. Deane, but I think that probably one of them is in pretty serious difficulty. I can think of but one in the United States offhand that we consider to be in serious difficulty. We think that for the most part they are paying off very well, considering that, as the electric industry goes, they are operating in marginal territory. As a whole, the rural electric systems have the finest repayment record in all lending history that we know of.

Mr. DEANE. Perhaps we could again burden the record with these lines to indicate that the total amount loaned during the life of the program as given by the agency, amounts to $2,959,215,023, and of that amount, the total lost is only $44,478.13, which represents a fifteen-ten-thousandths of 1 percent of the principal amount loaned that is considered at loss.

The reason I bring up these delinquent borrowers is to determine if your association is in a position to assist these delinquent borrowers.

Mr. ELLIS. That is a good question. We have gone in in emergency cases several times to try to help them with problems. Usually we do not because we are so inadequately staffed to do that sort of thing, and usually REA has supplied that kind of service, in order to protect, of course, the Government's loan and further the program.

We, as the association, usually have not entered that field, except in emergencies.

Mr. DEANE. What do you consider to be the primary problem facing these 14 cooperatives that are delinquent, and any other in the county?

Mr. ELLIS. Our biggest problem is power supply. Wholesale power supply. Plenty of it when we need it, on schedule and, of course, the cost element is a big feature, too.

Mr. DEANE. Are you having difficuty in trying to get contracts that are fair and equitable?

Mr. ELLIS. Yes, sir.

Mr. DEANE. Would you elaborate on that?

Mr. ELLIS. I will be glad to. We have always had difficulty in getting contracts for adequate power supply at rates that our people felt they could afford. For instance, two co-op managers from Louisiana called me within the past few days and told me about the fact that the power companies from which they are buying power are now applying the so-called fuel clauses in the contracts, raising their rates, and I believe they mentioned other unsatisfactory terms in the new contracts. One co-op told me its contract had been canceled and a new rate negotiated at a higher rate. I remember a few days ago the manager of the cooperative at Alturas, Calif., told me that his power contract with the power company had been either canceled or terminated and a new contract was being negotiated at a much higher rate—a considerably higher rate. Those are just instances that I think of. In some areas we have real shortages that can't be met from any source at any price.

Mr. DEANE. The agency, of course, would seem to be involved in those cases. What assistance do they give in instances like that, or is it purely a matter for the local co-op to try to fight through its problem?

Mr. ELLIS. REA has always helped the local systems in their power negotiations. This didn't start just in this administration, but REA has been lessening its services to the local systems for several years, and I do not believe that they are getting much assistance now from REA in wholesale power negotiations.

Mr. DEANE. You gentlemen are acquainted with the fact that under the chairmanship of Mr. Whitten, and also under Mr. Anderson, this committee in the past has raised the amount that was sent up here by the Bureau of the Budget. Do you know that to be true?

Mr. ELLIS. Yes, sir.

Mr. DEANE. Do you feel those funds have been equitably distributed?

Mr. ELLIS. I cannot say that they have been inequitably distributed. There have been instances where our people in the field have felt that loans should have been made that haven't been made, and particularly generation and transmission loans. REA usually comes to the end of the fiscal year with 25 to 50 million dollars of unloaned electric funds and yet with a backlog of unapproved loan applications totaling a hundred million dollars or more.

Mr. DEANE. One other question: There was a discussion of a new formula that was discussed to some length in the committee. Do you have an opinion to express with reference to so-called new formula?

Mr. ELLIS. Our people went on record in our 10 regional meetings a year ago last fall, all around the country, asking that the formula in the basic, substantial law, the REA Act, be eliminated. They asked that it be made to operate as the telephone law operates, without a formula, that is without requirement for certain amounts to be allocated among the States.

Mr. MARSHALL. I think at this point the record ought to show that previous testimony before this committee indicated that no loan has been rejected up to this time because of the formula.

Now, there is some prospect of some loan that is immediately pending that has some difficulty along that line. Up to this moment,

however, the testimony before this committee has indicated that no loan has been rejected because of the formula.

Mr. ELLIS. I would challenge the statement. I don't deny the statement, but I know that I personally heard Claude Wickard say, when he was Administrator, that generation and transmission loans being applied for in Indiana and Illinois could not be made because not enough money could be allocated to those States under the formula, out of the money appropriated by the Congress.

Different Illinois people have told me in the past 2 years that REA people have said to them that the amount of money which they were applying for in Illinois could not be loaned to Illinois because, under the formula, that much would not be available.

First there is the fact of the big backlog of loan applications at the end of each fiscal year, despite some carry-over of funds.

I heard the REA administrator say, in a speech at Denver at our regional meeting last fall, that the time may have come when the formula ought to be eliminated, and I think he said that in reply to the fact that questions were being asked whether sufficient generation and transmission loans could be made in Colorado where three different generation transmission co-ops were asking for loans, and we all knew that they simply could not all be made—probably not more than just the least one of them, under the formula.

Mr. MARSHALL. He also testified to that effect before this committee.

Mr. DEANE. There is a report from one of the task forces of the Hoover Commission, that would require the REA be placed on a revolving fund basis and that the co-op finance its future needs by means by the sale of its own notes or debentures.

Are you in a position to comment on that proposal?

Mr. ELLIS. Yes. May I say in answer to another question that you asked me that at our national meeting 2 weeks ago we also went on record asking that the formula be eliminated from the law.

Our people considered the Hoover Commission report at this meeting. Some of the members of our committees were advised as to what was in the task force recommendation to the Hoover Commission and a resolution came out on the floor and there was discussion of it before our meeting and the resolution passed unanimously asking the Congress to not seriously consider approving the Hoover Commission recommendation without first giving the matter very thorough study as to its effect upon the rural electrification program.

Mr. DEANE. Thank you, Mr. Chairman.

Mr. MCWHORTER. Mr. Anderson from Colorado would like to say a few words on G and T loans.

STATEMENT OF J. ARTHUR ANDERSON

Mr. ANDERSON. My name is J. Arthur Anderson. I live about 6 miles southeast of Loveland, Colo., where I operate an irrigated farm, a diversified agricultural and livestock operation.

I am a director of the Poudre Valley Rural Electric Association with headquarters in Fort Collins, Colo. I am also a delegate on the Colorado Statewide Association. I have now been elected to serve on the legislative committee, representing region VII, which is composed of the States of Wyoming, Nebraska, Kansas, and Colorado.

It is my privilege to be associated with this group in appearing before your distinguished committee for the purpose of presenting some of the problems of rural electrification.

Several other members of the committee have presented some of the different phases of our program, such as loan, administrative, and research funds.

Mr. Oliver Rose, of South Dakota, has presented some of the needs for generation and transmission funds in general.

The ever-increasing use of electricity in the rural areas is now a necessity, not a luxury. Therefore an adequate source of power must be maintained. In order for this to be accomplished some of the rural electric systems in the United States will have to construct their own facilities for this purpose.

In Colorado, Wyoming, and Nebraska there are three generation and transmission cooperatives organized—all of them in areas where our power supply is either already inadequate or will be before it can be corrected. One of these is the Tri-State Generation and Transmission Cooperative which is designed to serve northeastern Colorado, northwestern Nebraska, and southeastern Wyoming.

It was necessary for us to organize this one because it has been clear for some time that the Bureau of Reclamation will not have adequate power supply for us. Another of these generation and transmission cooperatives is in southeastern Colorado, where we are facing a very difficult power supply situation. The third one is the Colorado Ute Generation and Transmission Cooperative in southwestern Colorado. A real power shortage has existed in this area for some time.

All of these 3 generation and transmission cooperatives have been trying to work out a loan with REA for anywhere from 2 or 3 to several years. Frankly, we don't know what is wrong. At the time of our regional meeting at Denver, late in October, the newspapers carried headlines to the effect that $40 million would be loaned in Colorado, mostly for the generation and transmission cooperatives, we understood, but we haven't seen any of it yet.

I understand there are other areas in the United States where new federated generation and transmission cooperatives are needed, particularly in Illinois. And, as our wholesale power needs grow, larger generating units are going to be necessary.

In conclusion, gentlemen, I hope that you will authorize adequate funds so that the generation and transmission loans which are needed can be approved, and so that no one can say or imply that loans cannot be made because adequate funds are not available.

Mr. MARSHALL. Thank you very much, Mr. Anderson.

Mr. MCWHORTER. Mr. Hudgins will discuss the administrative funds of REA.

STATEMENT OF ALEXANDER HUDGINS

Mr. HUDGINS. I have a brief statement, Mr. Chairman.

I am Alexander Hudgins of Virginia. I am executive secretary of the Virginia Association of Electric Cooperatives and editor of Rural Virginia, a monthly publication which is distributed to nearly 75,000 electric cooperative members. I am also serving as a member of our National Rural Electric Cooperative Association Legislative Committee.

You have already been acquainted with a resolution adopted last month by members of the National Rural Electric Cooperative Association.

That resolution asked for $252 million in electric-loan funds, and $125 million in telephone-loan funds.

You have already heard these two loan-fund figures discussed. That is money which is made available through your Rural Electrification Administration as loans at a 2 percent interest rate.

That money will be returned to the United States Treasury. The Rural Electrification Administration is charged with the responsibility of making these loans. It is also charged with giving technical assistance, advice, and information so that the systems which borrow will operate efficiently and successfully.

To do a good job, the Rural Electrification Administration must have sufficient administrative funds, not only to take care of necessary new-loan authorizations during the next fiscal year, but also to properly protect nearly $3 billion already loaned.

We believe it will require $8 million during the next fiscal year to do this job properly. Our information indicates that the Bureau of the Budget has put this figure at $7,680,000, just $320,000 less than the committee feels adequate.

We are not yet privileged to know the breakdown of the Bureau of the Budget figure so we cannot evaluate for you the adequacy of amounts which will be used in the various departments of REA.

We are afraid the Bureau of the Budget has not included enough to adequately assist in the design and testing of equipment needed for our rural-electric systems. This we think is important, certainly in the amount of $150,000.

I said a few minutes ago that REA is not only charged with administering the loan funds, but also in giving advice and information to its borrower systems.

In this one new field has opened which must not be overlooked. That is the atomic-energy field, the use of atomic energy to generate electricity. This budget will be discussed in detail by another spokesman for our group.

But in this administrative figure, sufficient money must be made available to effectively handle this new and unlimited field. How much, we do not know. But because development in this field can well be a deciding factor in the continued success of our systems, funds must be adequate. Even $200,000 in administrative funds might not be sufficient, but we think at least that much is necessary. We fear the Bureau of the Budget may not be thinking in these terms.

Thus, you can see, gentlemen, that $8,030,000 is not too much in administrative funds for the Rural Electrification Administration.

The Bureau of the Budget thinks $7,680,000 is necessary to administer a new authorization program of $230 million. And we feel $8 million in administrative funds is in line with our recommended overall lending program of $329,500,000. We feel sure you gentlemen will go along with us in this part of our request, too.

You have heard Congressman Deane point out that over the years the outstanding loans that have been made now approach approximately $3 billion. We think that this Rural Electrification Adminis-

tration has as its responsibility not only the administration and protection of these funds but also to give some technical advice, assistance, and information to these member systems so that they may continue to be successfully operated and to carry out that very excellent collection record that you heard Congressman Deane refer to. We feel that the $7,680,000 that the Bureau of the Budget has indicated will be needed for the administrative fund possibly should have in it two items that we think should be given sufficient leeway for operation by the REA. One is the technical assistance for the design and testing of electrical materials that are needed. We think $150,000 should be in there for that part of the administrative work. You heard mentioned earlier today, the new field which we are fast approaching, the atomic field. We feel the administrative fund should be sufficient to include approximately $200,000 for this particular work at the Rural Electrification Administration.

The Bureau of the Budget has indicated that they thought that $7,680,000 was possibly a good figure for administrative funds for the overall $230 million program. We feel that $8 million and approximately $30,000 would be needed to carry out the program that we have pointed out to you today, and as a result of our study, approximately $329,500,000, which is the total as we see it in the picture—that would include $200,000 for atomic energy work and $150,000 for the other work.

Thank you, Mr. Chairman.

STATEMENT OF W. GORDON LOVELESS

Mr. McWHORTER. Mr. W. Gordon Loveless, from Vermont, is next. He will discuss the atomic energy question.

Mr. LOVELESS. I am a dairy farm owner in East Montpelier, Vt., director for my State on the board of the National Rural Electric Cooperative Association, and one of the 23 Republicans in our 30-member Vermont State Senate. Today I am appearing before you as chairman of NRECA's atomic energy committee to urge as strongly as I can your consideration of some language in the appropriations bill which will assure an adequate amount of money for REA to protect the interest of their borrowers, the farmer-owned co-ops, in the $13 billion investment made by American taxpayers in atomic energy production.

Let me tell you briefly about the committee of which I am chairman and what the rural electric systems are doing in an effort to protect and further their interests in the atomic power program.

We realize the passage of the Atomic Energy Act in 1954 affords us new opportunities in this field. At the same time we are aware of the fact that further legislation is needed to improve this act to protect the interests of the rural electric systems and provide them with a real opportunity to participate in the atomic-energy program. In order to take advantage of the limited opportunities offered by the act, our president, Jack Smith, appointed an NRECA atomic energy committee on August 30, 1954, shortly after passage of the 1954 act. Our committee is composed mainly of representatives of the rural electric systems from high-cost power areas, such as Vermont, Iowa, Minnesota, Wisconsin, and so on.

There are also other representatives of the rural electric systems on the committee from New Mexico, Colorado, and Texas, and our president, Jack Smith, who is a manager of a cooperative in Virginia.

Two of our staff are members of this committee, Clyde T. Ellis, general manager, and Bob Kabat, who serves as the committee's secretary.

Four of our committee members are managers of generation and transmission systems, and one is a manager of the Colorado State Association of REA Cooperatives. This committee is truly representative of the interests of the rural electric systems in the field of atomic power.

This is a working committee, and I think the following excerpt from the statement, sent by our presendent when he appointed the committee, will substantiate this. I quote from his letter, dated August 30, to the members of the committee:

> The field into which you are moving is so complex, so walled about by security restrictions, so lush for exploitation by great corporate interests that I do not expect us to achieve any signficant goals without considerable effort.

This committee certainly has put forth considerable effort. We met twice here in Washington at our own expense, once in September when we met with the General Manager of the AEC and once again in October when we met with the Chairman, Admiral Strauss. We also held several meetings in Atlantic City both prior to and during our annual meeting. We have attempted to explore ways the rural electric systems can more actively participate in the atomic-power program, and also to assist in the formulation of atomic-power policy for the association.

Our job has been hard and at times disappointing because we have not made any real gains in being able to participate in the AEC program.

We have realized for some time that, to really study what is going on in the field of atomic power and to make this technical information available to our systems within the limitations of security requirements, we would have to get into the industrial participation program.

We held several preliminary meetings with staff personnel of the Reactor Development Division of AEC, and in most of these meetings we were overwhelmed by the AEC's requirements that a study group must agree to spend at least $100,000 a year on its study and also must have people with advanced technical qualifications to participate in the study.

We, of course, were well aware that we could not meet these conditions.

But after several conferences at the AEC we were told that we could go ahead and submit a proposal for the consideration of the Commission, a proposal considerably different than those submitted previously by other groups. We submitted this proposal on September 15, 1954, and we were advised on January 12, 1955, that it had been approved by the Commission.

I wish later to discuss our proposal study group in some detail, but I thought you might be interested in the following paragraph from our proposal to the AEC which states the objectives of the group.

> 1. To study the management and economic aspects of the application of nuclear power for the specialized needs of the rural electric systems. This would include a study of the rural electric systems' method of financing (loans

from the Rural Electrification Administration which are repaid over 35 years at 2 percent interest) and their type of nonprofit operation as applied to the nuclear power program.

2. To study the engineering practicability of various nuclear power reactors in view of the rural electric systems' specialized wholesale power needs and problems. This would include a study of the reactors to be constructed and operated in the AEC's 5-year reactor research and development program, the proposed Army package power reactor and any other experimental power reactors which may be designed or built within the AEC program or the industrial participation program.

3. To study and make recommendations to the Atomic Energy Commission concerning the desirability and feasibility of the location along the lines of a rural electric system or systems of a demonstration plant or plants which may be constructed under the Atomic Energy Act of 1954.

These are high objectives, and I would like to comment a little later on whether or not we think we will be able to achieve them. We will make every effort to do so.

The atmosphere of the atom dominated our recent annual meeting in Atlantic City, attended by over 3,800 rural electric leaders from pretty well all over the United States. One of the distinguished Members of the United States Senate, Senator Gore, made a wonderful, clear, concise address there on some of the problems which the rural electric systems face in the field of atomic energy.

Also on our program was a 2-hour panel discussion on the promise of atomic power for the rural electric systems. This panel was attended by over 1,500 managers and directors of rural electric cooperatives and power districts. We were fortunate to have Mr. A. V. Peterson, director of the atomic energy department of American Machine & Foundry Co., speak as a member of the panel on recent technical developments in atomic power of interest to rural electric systems.

Our staff economist, Dr. Clay Cochran, spoke on a legislative program for a dynamic atomic power program. I spoke for our committee on our successes and failures as I am telling our story to you today.

There was one additional topic on the panel which was to be discussed by an official of the AEC. This was the topic: What the AEC is doing to implement atomic power provisions of the 1954 act, but unfortunately all the AEC officials were too busy to attend our meeting in Atlantic City. They seem to be available to address private power or industrial groups which request them, however. This panel was enthusiastically received, and there were many questions from the audience.

Mr. Peterson agreed to meet in the afternoon with representatives from the various States who were interested in atomic power. We announced at the panel that Mr. Peterson would be available for this purpose, but we had no idea of the response he would receive.

He had a continuous flow of people coming in to meet with him during the afternoon and discuss their problems and how their local systems or their associations of cooperatives and power districts can more actively participate in this program, and in particular how they can submit proposals to the AEC. This shows that our people are eager, indeed hungry, for information about atomic power.

Also at the meeting we were fortunate to have two models of atomic plants, one a model of the Duquesne Light Co. pressurized water reactor which is now being constructed at Shippingport, Pa., and the

other a model of the Army package reactor which is being constructed at Fort Belvoir, Va.

There was always a crowd around these two models examining them, asking questions about them and trying to absorb everything they could from them.

Atomic power fascinates our people, both from the hope it offers of more adequate supply and from the standpoint of cost. They want to go ahead in this program, they want to do something about it.

We feel we are making some progress, but we are still concerned about certain trends and developments which appear to be strengthening the control of monopoly over this great new technology.

Gentlemen, we in high-cost power areas like New England want your help. We want you to help us by specifically instructing the Administrator of REA that you believe the intent of Congress is to see that the farmers' interest in atomic energy is protected.

Our more than 3½ million member families paid a lot of taxes to help develop atomic energy. In the present bill we would like to see $200,000 earmarked for technical and advisory services by REA.

In fact, the Congress made an additional $200,000 in administrative funds available for REA during the present fiscal year. The Senate Appropriations Committee in its report stated that it feels that part of the amount recommended for salaries and expenses should be used by the Rural Electrification Administration to give—

> appropriate attention to the possibility of utilization of atomic energy for electric power generation in rural areas.

Our cooperatives are not wealthy corporations and they are widely scattered. We in the co-ops are ready and willing to bear our share of the load but we don't know where to begin. We want to work with REA and we look to REA for the technical know-how to show us the way.

Technical know-how in this field costs money and we want REA to have adequate funds to do the job.

Some will tell you that there is no need for haste. In conclusion, gentlemen, I would like to read just a couple of sentences from an article which appeared in the Wall Street Journal on Tuesday of this week, March 8, 1955:

> Niagara Mohawk Power Corp. has put in a bid to buy the first electricity to be sold from an atom-power plant, the Atomic Energy Commission disclosed.
>
> The Commission said it hopes to sell atom-produced power for the first time this summer—2 years earlier than expected.
>
> However, the AEC said the Niagara Mohawk offer is only the first of what it hopes will be a number of bids. The Commission is querying cooperatives and local governments, as well as other private concerns, by letter and telephone, within a radius of 100 miles of the reactor. Among those contacted was the Holyoke Gas & Electric Department, Holyoke, Mass. The AEC spokesman said its aim is to see whether a local government or cooperative can't match or better the private offer, as the AEC is required by law to give first preference to such groups.

Gentlemen, we folks out on the farm remember only too well how long we waited to get central station electric service. I'm not an old-timer quite but I never knew the convenience of electricity in my lifetime until I left the farm at the age of 20 to attend agricultural school. My parents had to retire from the farm to get electricity in the nearby village.

Finally in 1941, through an REA financed co-op, we got lights in the farmhouse in which I live. We want your help to see that we don't wait that long for atomic power.

I have been working as the head of this committee since last August since our President, Jack Smith, set up a committee consisting of several of our generation cooperative managers and the manager of the Colorado State Association. Mr. Smith, our president, Mr. Ellis, Mr. Kabat from the staff and myself. The purpose of this committee very briefly was to try to, first of all, work in cooperation with REA and AEC to find out where the electric cooperatives fit in the whole development of atomic energy.

We had two very good meetings with some of the people at AEC—incidentally, the committee came here at its own expense to attend those meetings. One of them in September when we met Mr. Nichols, the general manager, and Mr. Tammarro, and we discussed the possibilities of working together. In October our committee met with Mr. Nelsen's advisory committee of which I was at that time a member, and we met with Chairman Strauss and again canvassed the possibilities.

Briefly, we were somewhat overwhelmed by AEC's requirements, in that they talked in terms of a study group being set up which had $100,000 to spend for technical help and advice but later on after discussions we were asked to submit a proposal to AEC, which we did, and in which we asked for a study group to do three things. First, to study the management and economic aspects of the atomic energy—produced powers on the electric cooperatives in rural communities; second, to study the various types of nuclear reactors; and third, to study and make recommendations to the Atomic Energy Commission concerning the desirability and feasibility of the location on one of our lines of a pilot, or demonstration plant, if a demonstration-plant program was entered into by AEC.

Now, these were fine objectives but we were hoping we could work with REA on a sort of a joint NRECA-REA study of this kind. To date REA has not seen fit to go along with us on that particular type of a study. We are in the process now of having people cleared to go along on our own. This year at our annual meeting in Atlantic City, the atom was certainly hovering over that meeting, and seemed to be in everyone's mind. We had set up a panel where we had a man who formerly worked with AEC who is now with a commercial company in New York, Mr. Peterson, our own staff economist, and myself, and although we had invited AEC to speak, no one was able to come and meet with us.

We are in a high-cost power area where I come from in New England. In the State of Maine cooperatives pay the highest cost of any one in the United States.

Mr. ANDERSEN. Do they pay higher rates than western Minnesota?

Mr. LOVELESS. I will take that back, Mr. Andersen. I am not sure that the average for the five co-ops in Maine is higher than the average of the Minnesota co-ops. I am not sure about the northwestern Minnesota individual co-ops.

What we would like to have this committee do, frankly, would be to put some language into the appropriations bill that would indicate that it was the intent of Congress that the electric cooperatives and the rural people would have some technical assistance and advice from

REA on the application of atomic power on the rural electric systems and, as Mr. Hudgins said, we believe it would be fine to see $200,000 earmarked for such technical and advisory services by REA. In fact, I believe Congress made an additional $200,000 in administrative funds available for REA during the fiscal year. If I recall correctly, the Senate Appropriations Committee in its report stated that it felt that part of this amount recommended for salaries and expenses should be used by REA to give appropriate attention to the possibility of utilizing atomic energy for electric power generation in rural areas. And we would certainly be very happy if we could have that kind of support again in this Congress, and see it carried out.

Now, some people I know will tell you as they tell me that this is something away off in the future and you don't need to worry about it. I just want to refer you again to the quotation from the Wall Street Journal that I referred to above.

Now, gentlemen, that is not in the future, the reference in that Wall Street Journal quotation was to this summer. Another party notified was our State public service commission in Vermont and they are contacting the AEC on it.

I certainly appreciate this opportunity to tell you that we are concerned with the application of atomic power to our rural electric systems.

Mr. MARSHALL. We appreciate your coming before us.

Mr. MCWHORTER. Here is Mr. Johnson, who will discuss research.

STATEMENT OF ERIC A. JOHNSON

Mr. JOHNSON. It is really a pleasure to come to Washington. I came about 3,000 miles to get here, and I was in Washington just a week ago today, and I went home and found a letter asking me to come back as a member of our group, to appear before you, so I am back in Washington.

Mr. MARSHALL. While you like to come to Washington, you don't like to have your trips quite so close together?

Mr. JOHNSON. That is right.

I would like to be home long enough to read the mail.

I am the manager of the Wasco Electric Cooperative and have held this position almost 15 years. I am actively engaged in helping operate my farm where we raise cattle and wheat.

I want to report briefly on the agricultural electrical research service and its effect on the electric cooperatives.

In my presentation on this subject, I would like to compare the moneys that have been made available through the years for agricultural electric research.

In 1939, $32,000 was appropriated; in 1949, $139,000; in 1950, $218,100; in 1951, $221,600; and in 1952, $226,100. Since 1952 the amount appropriated has been decreased to $215,100 in 1954, although the rate of electrified farms have increased from 22.1 percent in 1939 to 92.3 percent in 1954, and the amount of electrical energy used on our farms has doubled about every 4 years, our research has lagged behind for lack of funds.

I would like to list for you a few new research projects that should be started immediately and several current projects that need additional funds:

New projects:

1. Electrical equipment to cool poultry buildings, with particular attention to heat pumps, and to reduce hand labor.

2. Electrical equipment to reduce labor and cost of dairy production, such as bulk milk coolers and feed handling and preparations.

3. Extend use of light trap research for control of insects, particularly cotton and tobacco insects.

Current projects that need additional funds:

4. Extend research in electrical equipment to reduce poultry diseases and reduce labor costs.

5. Extend research to electrical equipment to reduce labor and costs in livestock production and feeding.

6. Farm application of electrically operated heat pumps.

7. Application of radio frequency and other forms of electric radiation to the control of grain insects and diseases.

8. Electric farm refrigeration equipment for poultry, dairy, and general use.

All these projects are important to national farm economy, and more research funds are needed to get them started and keep them going.

For example, 18 percent of all farm labor is performed on dairy farms alone. If research here could eliminate 1 percent of the hand labor, 27,400,000 man-hours per year could be saved. The farm electric research opportunity is great and the need is now.

At the National Rural Electric Cooperative Association annual meeting, held last month in Atlantic City, N. J., the following resolution No. 7B was submitted then by the research committee and passed by the membership:

Whereas the Farm Electrification Section of the Agricultural Research Service has been instrumental in improving farm-electrical equipment and the methods of applying electricity to farm production; and

Whereas there are several fields where a lack of funds has delayed research projects of vital and pressing nature, including bulk tank milk coolers, poultry-house and potato-storage ventilation, and the heat pump in all of its possible farm applications, to name just a few: Now, therefore, be it

*Resolved*, That we petition the Congress to increase funds for farm electrification research to $300,000 in the budget for fiscal 1956: Be it further

*Resolved*, That the Secretary of Agriculture be petitioned to request a sum of $400,000 for farm electrification research in the Department of Agriculture budget for fiscal 1957.

I am sure you all realize that this research is for the benefit of the American farmer. Reports born out of this research work are available to farmers and will assist them in reducing their operating costs and preventing loss of food and fiber.

We urge your approval of $300,000 for this work. Thank you for this opportunity to make our needs known.

We are really concerned about our research service with agriculture. In 1939, we had $32,000 appropriated and in 1949 it came up to $139,000. It has been going up until last year we had $215,100.

It seems we are now going backward on the scale.

It also has been brought to our attention that household equipment research has been taken off of the bill of goods in the research out at Beltsville. We don't like to see that, because, after all, very much of our work in electricity applies to the farm home. We would recommend this be looked into and find out if something can be done to get some money back into this field.

Thank you very kindly.

Mr. MARSHALL. Thank you, Mr. Johnson. I appreciate your traveling 3,000 miles to come before this committee.

Mr. MCWHORTER. Our repayment record is something about which we are proud.

Judge Leon Miller is going to say something about that.

STATEMENT OF LEON W. MILLER

Mr. MILLER. My name is Leon W. Miller, and I reside at Petoskey, Mich. I am attorney for 1 G. and T. cooperative and 1 distribution cooperative in northern Michigan.

As a member of the NRECA legislative committee, I am the representative of 87 cooperatives which serve 381,431 rural families and establishments in the States of Michigan, Ohio, Indiana, and West Virginia.

The repayment record of the REA borrowers is one of the best that I know anything about. It is one of which any banker, public or private, can be proud. The most recent figures show there are only 14 rural electric systems delinquent out of approximately 1,000. The total amount past due to the Government is less than one-tenth of 1 percent of the total loaned. This is indeed a record in which we can all take pride.

I would like to cite a few figures which will point up what I have just said about the repayment record.

In 1947, there were 84 borrowers more than 30 days delinquent in the amount of $1,020,788. In 1948 it was 75 and $965,967; in 1949 it was 68 and $968,931; in 1950 it was 53 and $774,458; in 1951 it was 48 and $684,802; in 1952 it was 29 and $699,140; in 1953 it was 34 and $733,450; and in 1954 it was 23 and $379,880.

In addition to their splendid record for meeting their obligations as they fall due, the cooperatives have a fine record for making advance payments. Again let me give you a few figures to illustrate the point.

Something more than 700 cooperatives have made payments in advance. In 1952 the cooperatives paid $52,470,962 in advances. In 1953 the advance payments amounted to $62,496,021, and in 1954 advance payments amounted to $78,500,000. The repayment record improves steadily from year to year, despite the fact that the payments due to the Government from most of the cooperatives are rapidly increasing and will very soon reach the top bracket for most of them.

We feel sure that no operation of the Government can make a better showing of results than REA.

Mr. ANDERSEN. Congressman Deane was quoting practically the same words I have used previously in the hearings through the years as to the splendid repayment record of our REA associations.

Mr. MILLER. I know that, Congressman Andersen.

Mr. ANDERSEN. For the last 10 years I believe we have brought out this very point, that if the average banker could do business with the same degree of anticipated loss as REA has been able to show, he would feel very well pleased.

Mr. MILLER. Congressman Deane called attention to the fact that as of the 31st of December 1954 there were 14 cooperatives delinquent more than 30 days. I'll say that the entire amount of their delin-

quency was about a third of a million dollars. Fourteen delinquents is the smallest number of delinquents that there has been in the history of this program because in 1946 or 1947 there were over 100 delinquents for over $1 million, and a good many cooperatives didn't even owe any money yet, then, but that number of delinquencies and the amount involved in the delinquencies has been reduced steadily, year after year in spite of the fact that the volume of payments that are falling due is increasing very rapidly.

Also, while there were 14 delinquents with a third of a million dollars of delinquency, over 700 cooperatives have made prepayments, and the prepayments in 1954, alone, amounted to $78,500,000.

Thank you.

Mr. MARSHALL. Thank you, Judge Miller.

Mr. MCWHORTER. Mr. Chairman, I would like to call on Clyde Ellis, our general manager, now, to pick up any loose ends. I think he has one or two things that he would like to say and at the close of his testimony, this closes our presentation to you, and may I say, again, thanks a million for this fine hearing, and thanks for your past support and we know that we can expect good support from this committee in the future.

Mr. MARSHALL. Thank you. We appreciate those fine comments of yours.

STATEMENT OF CLYDE ELLIS

Mr. ELLIS. Mr. Chairman, we are trying to respect your time situation, because we know it is late, I am going to mention only 2 points that I think need mentioning, here—2 major points. I know you appreciate there are several matters contained within the prepared testimony of the several gentlemen, that they just haven't been able to cover in their oral testimony, which we think will be helpful to you in making your decisions.

It was called to my attention that it might be possible to misunderstand the calculations which we gave you on the amount of funds needed for the next fiscal year. We must make our calculations as does the Government, as of a date prior to the beginning of the next fiscal year, and, therefore, ours are always done as of January 1, but the amount we arrive at, the request we make, is for the next fiscal year, so that $204,500,000 in electric loan funds is for the next fiscal year.

The other point that I think needs great emphasis is this—and I am sorry that we are not experts enough, or we are not in possession of the knowledge concerning the variables involved in the formula, sufficiently to tell you the amount of contingency we think would be needed if you authorize a given amount of loan funds. But, assuming that the formula stays in the law as it is, and I think we must assume that, the amount of contingency loan funds required is getting larger every year, particularly as the G-T loans get larger. As we use more power it would take larger generation and transmission units to satisfy the rural electrification needs.

Roughly, we think that a contingency loan fund over and above the amount we have requested, of two to three hundred million—somewhere in there—would be required in order for REA to be able to make the loans we have mentioned in Illinois, Colorado, and perhaps

other States, that are needed. When you determine the amount of rural electric loan funds needed, we would urge you to then ask REA how much contingency funds would be required in order to permit (a) that amount of loans to be made, and (b) the loans to be made for generation and transmission facilities which the rural electric systems have indicated they need in Illinois, Colorado, and other States.

Now, we don't think there is anything serious about making the contingency in a rather large amount because, as you know, if the amount is not needed it will not be drawn down from the Treasury. Of that which should be drawn down, then, you can simply deduct any unused amount from the next year's authorization. If you don't make the contingency available as needed, we are simply going to be in what looks like a continually deepening rut, where we won't be able to get the loans because the formula would stand in the way.

Mr. MARSHALL. We appreciate very much your group coming before this committee. It is really one of the highlights of this hearing. We enjoy the friendly relations that we have. The feeling of this committee toward REA has been as friendly as in any instance.

Mr. ANDERSEN. Mr. Chairman, I would like to join in your statement. Mr. Ellis is to be complimented upon the fine presentations he has brought before our subcommittee during the past several years.

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THURSDAY, MARCH 10, 1955.

## SCHOOL LUNCH PROGRAM

### WITNESS

### HON. A. S. J. CARNAHAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. MARSHALL. Now, we shall hear from one of our colleagues from Missouri, Mr. A. S. J. Carnahan, who is gravely concerned about the cut proposed in the budget for the school lunch program.

Mr. CARNAHAN. While Senate and House committees are grappling with the problem of how to give aid to schools for construction purposes the national school lunch program is in the paradox position of possibly undergoing a drastic budget cut. I am unalterably opposed to such a cut.

The Department of Agriculture has recommended a slash from 83 to 68 million dollars on school lunch appropriations which they say will be justified by an increase in commodities donated by the Federal Government. Perhaps an increase in donable commodities has been enjoyed by other States but that is not true in Missouri. Commodities allocated to the Missouri schools up to February 15 of this year carried a value of $1,334,727.35 as compared to a total of $2,767,038.51 distributed throughout the entire preceding school year.

I feel that instead of contemplating a cut in the school lunch appropriations we should be increasing this appropriation to meet the rapidly expanding needs of our schools. While I favor economy in Government, let us economize in a rational manner. Indiscriminate slashings of appropriations that hold such a significance for the health of our youth are not justified at this time.

Does the need for additional money in the national school lunch program really exist? The figures listed below were taken from a report by the American School Food Services Association:

Since 1946 when the National School Lunch Act was passed, the number of children enrolled in the Nation's schools has increased from 26.7 to 33.5 million, an increase of more than 27 percent. During the same period, the number of children participating in the national school lunch program has increased even more sharply. This year, over 10 million children are participating in the program, compared with 6 million in 1947, and a total of 1.7 billion school lunches will be consumed, compared with 911 million in 1947, an increase of nearly 87 percent.

The cost of serving a school lunch has increased over 45 percent since June 1946, when the rates of Federal assistance were established under the provisions of the National School Lunch Act. This increase in the cost per lunch, together with the sharp rise in the numbers of children served, has placed a severe burden upon local communities and States already hard pressed to meet the heavy school-operating costs that increasing enrollments necessitate. Nevertheless, the States are more than meeting their responsibilities under the terms of the National School Lunch Act. State and local aid for school lunches, exclusive of parents' payments, has increased from 5.6 cents per lunch in 1947 to 8.5 cents in 1954, while parents' payments have increased from 16.5 cents per lunch to 22.5 cents. As a result of their efforts to meet the increased cost, the States in 1954 matched almost five times the amounts required under the matching provisions of the National School Lunch Act!

Let us bear in mind that this money which is being spent in aiding the States in the school lunch program is not a dole; it is an investment in good health. Malnutrition, the breeding ground for many forms of disease, is not confined to the low-income people but is often found within the homes of the well to do. It is the hope of we who oppose this budget cut that through the hot-lunch program children will receive not only a nutritious and appetizing meal, but will also be made aware of and put into practice good eating habits.

In closing, I implore this committee to restore any budget cut which may have been made in the school lunch program appropriations. By so doing, you will help to insure the health and well-being of our children. I thank you.

Mr. MARSHALL. I know the committee appreciates your pertinent and well-developed statement. Thank you for appearing here today.

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FRIDAY, MARCH 11, 1955.

## AMERICAN FARM BUREAU FEDERATION

### WITNESSES

**WALTER L. RANDOLPH, VICE PRESIDENT, AMERICAN FARM BUREAU FEDERATION**

**JOHN C. LYNN, LEGISLATIVE DIRECTOR, AMERICAN FARM BUREAU FEDERATION**

**HUGH HALL, ASSISTANT LEGISLATIVE DIRECTOR, AMERICAN FARM BUREAU FEDERATION**

Mr. WHITTEN. We are glad to have with us Mr. Randolph, vice president of the American Farm Bureau Federation, and his associates. We will be glad to have your statement.

Mr. RANDOLPH. My associates are John C. Lynn, legislative director of the American Farm Bureau Federation, and Mr. Hugh Hall, assistant legislative director.

Mr. Chairman and gentlemen of the committee, my name is Walter L. Randolph. I live in Alabama, route 3, Fayette, Ala., and Montgomery, Ala. I am president of the Alabama Farm Bureau Federation, and vice president of the American Farm Bureau Federation.

We appreciate the opportunity of appearing before you again to consider the appropriations for the United States Department of Agriculture.

The interest of the membership of the American Farm Bureau Federation in the problem of a balanced budget continues. They have indicated their belief that the Congress and the executive branch should do all in their power to accomplish this objective.

We are aware that it is a difficult task, but it is one with which all segments of our population, including agriculture, are concerned. We believe that all must participate in the efforts necessary to achieve this objective. We believe the Congress and this committee are working to achieve this end and at the same time continue to support the essential activities of Government.

As we have stated on previous occasions in appearing before your committee, we recognize—and, of course, you recognize—that there are functions and activities in which the Government is engaged which are inherently more essential than are some others.

Our comments with respect to the budgetary recommendations will be directed toward some of the functions which are stressed in the 1955 policies of the American Farm Bureau Federation as being activities requiring the expenditure of funds under the jurisdiction of this committee.

Appropriations for Research:

The committee is aware of the consistent and continuing support we have given to expand research work in the Department of Agriculture and the State experiment stations. We are firmly convinced that the application of the results of research work done in the past have contributed to the increased efficiency of farmers in production and in marketing in recent years.

In recognition of the fundamental importance of this work, we actively supported the increases which the Congress passed last year. We believe that public and private agencies and institutions should be encouraged to continue their efforts. We favor continued expansion of studies in the fields of production, marketing, utilization, and management practices. Marketing research should cover production aspects affecting marketing.

Much research cannot be carried on unless sustained with funds on a continuing basis. Where planning long-range research such as the problems involved in present and potential shifts in agriculture, the need arises for assurance that adequate funds will be available over the probable life of the problem.

Research in agriculture is continuous. The problems of today need attention now, but the problems which must be met tomorrow should not go unexamined until tomorrow arrives.

To illustrate our view: A new pest, the Kappra beetle, has made its appearance in the Western States and already is taking a heavy toll of damage. We believe this problem should be met at once and since it is a new pest, new funds are required to deal with it adequately.

On the other hand, an old pest, the cattle grub, on which some work has been done for many years, continues to extract a heavy toll from our livestock producers, and the industry which uses the hides of animals. Efforts at reduction of these and other losses may not result in immediate solutions, but delay of effort can result in unnecessary losses.

The use and management of water has come forward rapidly. The wise use of this basic resource in production will be encouraged by adequate research in meeting the complex problems involved.

We believe the time has arrived when consideration should be given for a long-range program of agricultural research. Such a program could be provided by gradual increases in appropriations, which, over a short period of years, would provide funds adequate to the requirements which many thoughtful persons feel are essential to the welfare of agriculture in our national economy.

In furtherance of this view, we have had conferences with representatives of the land-grant colleges and the State experiment stations, the Secretary of Agriculture and the Administrator of the Agricultural Research Service and others.

A consideration of the recommendations of the agricultural research advisory committees and the directors of the agricultural experiment stations indicate clearly the wide range of problems which intensified research might alleviate or solve.

We believe this committee should give consideration to the development of such a long-range program of research and provide for an annual increase in funds for this purpose over a period of years.

The background of need for such a program has been reviewed in many conferences and discussions in agricultural organizations and other forums. We need not review these as it is our desire to bring to the attention of the committee our belief that work should begin, leading to agreement on a program providing for an annual increase in the research funds.

The increased appropriations in the budget for 1956, amounting to approximately $8 million represent the minimum addition for research. We recommend that your committee increase the amount so as to provide an increase of $12 million. We believe these funds could be spent on any of several projects recommended by the agricultural research advisory committees and the land-grant colleges. These projects cover a wide range of unsolved problems relating to production, utilization, and marketing.

A list of subjects recommended follows:

*Increases for research*

[Thousands of dollars]

| Item | Based on increase of— | |
|---|---|---|
| | $8,000,000 | $12,000,000 |
| 1. Animal and poultry production | $1,870 | $2,700 |
| (a) Diseases and parasites | 680 | 1,000 |
| (b) Breeding | 640 | 800 |
| (c) Nutrition | 550 | 900 |
| 2. Marketing and utilization | 1,910 | 3,000 |
| (a) Marketing costs, margins, and efficiency | 400 | 560 |
| (b) Evaluation, maintenance and improvement of quality | 400 | 600 |
| (c) Improvement in market location, organization and facilities | 230 | 340 |
| (d) Collection, analyses and dissemination of marketing data | 510 | 700 |
| (e) Utilization | 370 | 800 |
| 3. Plant diseases and insects | 720 | 1,050 |
| (a) Biology and control of plant diseases | 255 | 370 |
| (b) Biology and control of plant insects | 370 | 540 |
| (c) Insect physiology | 95 | 140 |
| 4. Soils and plant nutrition | 650 | 950 |
| (a) Soil properties | 160 | 240 |
| (b) Plant nutrition and soil-plant-animal relationships | 195 | 280 |
| (c) Soil moisture, salinity and erosion | 295 | 430 |
| 5. Horticulture and forestry | 630 | 950 |
| (a) Deciduous fruits, nuts and citrus | 130 | 190 |
| (b) Vegetable crops | 130 | 190 |
| (c) Ornamentals and floriculture | 55 | 90 |
| (d) Farm forestry | 315 | 480 |
| 6. Field crops | 560 | 850 |
| (a) Cereal | 135 | 200 |
| (b) Cotton, fiber, and oil crops | 120 | 180 |
| (c) Potatoes, tobacco, and sugar crops | 125 | 190 |
| (d) Weed and brush control | 180 | 280 |
| 7. Mechanization and structures | 350 | 520 |
| (a) Buildings and materials | 150 | 220 |
| (b) Machinery and power | 200 | 300 |
| 8. Grass and forage crops | 600 | 900 |
| (a) Varieties and management | 395 | 590 |
| (b) Genetics and physiology | 205 | 310 |
| 9. Human nutrition, home management and family living | 285 | 430 |
| (a) Human nutrition | 115 | 180 |
| (b) Clothing, fabrics, household equipment, home management and family economics | 110 | 160 |
| (c) Family and community | 60 | 90 |
| 10. Economics of production | 430 | 650 |
| (a) Farm management | 180 | 270 |
| (b) Credit | 60 | 90 |
| (c) Special farming systems and adjustments | 190 | 290 |
| Total | 8,005 | 12,000 |

Appropriation for Extension Service: The long record of accomplishments of the cooperative Extension Service in assisting farmers in the application of research, new ideas, and methods has brought upon the Service increased demands.

The expanded research program of the Department of Agriculture and the State experiment stations requires that the Extension Service be adequately staffed and equipped to carry the results to farmers as rapidly as possible.

Farmers' interest in more efficient production, by which they can meet in some measure the cost-price squeeze of the last few years, places added responsibility upon the Extension Service.

The Service also renders assistance in aiding farmers to meet the changing needs of consumers and market demands. New problem areas, such as those presented by water-shortage problems, local irrigation developments, new pests and diseases, also place on the Extension Service added burdens. These and other activities must be met if farmers are to cope with soil erosion, climatic variations, insect pests, and plant and animal diseases, as well as economic and cost problems.

Since the Extension Service program represents the cooperative efforts of the Federal, State, and local governments in providing the necessary funds, it is apparent that the success of the Service depends largely on the interest and support given by the local people. The provision of Federal funds in increased amounts places upon the State and local units of government an added responsibility to provide their share of funds for this program. Such a program should be available to a larger number of farmers, and the scope of problems covered should be extended. An Extension Service of this kind can do much to implement all other programs and improve net farm income and farm stability, conserve agricultural resources, improve farm family living, and develop understanding of, and more effective participation in, community life.

The increasing demands upon the Extension Service by nonfarm people in some areas is reducing the time available by personnel of the service to devote to farm problems. We believe the increases recommended should be used for the basic purposes for which the Extension Service was established.

We recommend the Extension Service work be supported by the approval of the increase recommended in the 1956 budget in the amount of $5,800,000.

School lunch: We have noted that the budget for the school-lunch program has been reduced by $15 million. This reduction has not affected the cash assistance to States amounting to $68 million made under other sections of the School Lunch Act. Funds from other sources are used to purchase food to be distributed to the schools.

To the extent of the reduction of $15 million in commodity procurement, the use of funds out of section 32 of the Agricultural Adjustment Act and section 416 of the Agricultural Act of 1949 represents a substitution, and not a real reduction in Government expenditures. We believe that funds from other authorizations used for school-lunch purposes should be regarded as supplementary, rather than primary sources of funds for the school-lunch program.

We recommend, therefore, that the $15 million reduction in commodity procurement under the School Lunch Act be restored and that funds be provided for the school-lunch program in the amount authorized for fiscal 1955 in the sum of $83,236,197.

Animal and plant disease and pest control: We believe the funds provided in the budget recommendations for this work will enable these programs to be continued on a satisfactory basis. Where reductions have been made, we suggest that the programs so affected should be carefully examined by the committee to make sure that necessary work is adequately provided for, even though some increase above the budget recommendations is required.

The ravages of diseases and pests affecting our crops and livestock are extensive and the losses great. Research, education, and effective controls developed through funds made available for these purposes offer the greatest promise of relief and diminution of losses.

Inspection services—Agricultural Marketing Service: There is a reduction in the budget for certain inspection services on fruits and vegetables and poultry and eggs amounting to about $320,000. While most of this type of service is rendered on a fee basis, with interested persons paying more than $12,200,000 out of $12,500,000 covering all commodities services, we believe this reduction should be reviewed.

While we are in accord with the basic program for inspection under which these services are rendered on a fee basis, we do not believe the full reduction should be made if it results in a loss of efficiency or quality of service.

Agricultural conservation program for 1955 and 1956: We recommend the appropriation of funds to carry out the authorization made last year for the agricultural conservation program for the crop year 1955. We believe the budget recommendation for authority to formulate the 1956 program amounting to $175 million will provide a satisfactory program.

We regret that legislation was not enacted directing that acreage diverted from price-supported commodities could not be used so as to seriously injure producers of other commodities.

We are convinced the record is now clear that the Secretary of Agriculture must have mandatory direction from the Congress if diverted acres resulting from mandatory price supports are to be kept from injuring producers of other crops, livestock, and their products.

In this connection also we would like to mention our interest in the "soil fertility bank" proposal. In a recent appearance before the House Committee on Agriculture we indicated our interest in dealing with the diverted acre problem and the soil fertility bank, both of which require basic legislative authority.

We bring these matters to your attention at this time for the purpose of indicating that if action is taken by the legislative committee and the Congress on either or both of these proposals, additional funds will be needed to carry them into effect. We will want to make recommendations to this committee concerning the needed funds.

The transfer of the agricultural attachés to the United States Department of Agriculture by the Agricultural Act of 1954 should put them in a position to provide valuable assistance in developing exports. They can provide essential marketing services and be of assistance to private traders and Government agencies in locating markets and selling United States farm products in many parts of the world. We feel that market information, credit, and services of the Departments of Agriculture, State, and Commerce should be geared to aid in the export of agricultural commodities.

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We recommend adequate financial support to be given the Foreign Agricultural Service to enable it to attract competent personnel and to allow sufficient funds to enable them to do their job in all important markets.

We commend to this committee the amount of $3,365,000 contained in the budget for this work, representing an increase of $850,000.

The development of the program of electrification of the farms of America so that 93 percent of them have electric current available is gratifying. Funds should be provided to make possible the completion of the program in all areas that qualify for service on a sound basis.

We recommend to the committee the approval of $160 million for electric loans and $70 million for telephone loans. The carryover of funds from prior years, added to these authorizations, will make a loan program for electrification for 1956 amounting to $185 million, compared to $165 million for 1955.

Total funds available for the telephone program for 1956, taking carryover funds into account, will make $80 million available in 1956, compared with $75 million in 1955. In the event additional funds are needed to carry out this program on a sound basis we recommend they be provided.

We believe the Farmers' Home Administration can continue its operations effectively and satisfactorily within the appropriations and loan authorizations recommended in the budget.

The reduction from $19 million to $13 million in direct loans for the farm-ownership program should not impair the overall results to be obtained in view of the increase in insured farm-ownership loans which the estimates indicate will rise from $24 million in 1955 to $45 million in 1956.

The needs of farmers for loans and assistance resulting from drought and floods and other weather catastrophe create special demands on Government. The utilization of revolving fund authorizations appears to be the most satisfactory way of meeting such requirements.

Since revolving funds permit the reuse of loans repaid into the fund, we do not now recommend provision of additional funds since present funds appear adequate.

In the event, however, new conditions arise so that funds prove inadequate, we will support reasonable additions for such purposes.

We recommend the appropriations and authorizations for the Farmers' Home Administration as indicated in the budget.

In concluding our statement, we support the budget recommendations for annual appropriations for regular activities not mentioned in the preceding discussion.

Mr. WHITTEN. Thank you, Mr. Randolph.

I note with interest your statement with regard to research. I think this commitee has a long-time record of supporting research funds.

Last year we were caught in the middle, in that the President's Bureau of the Budget cut funds for soil conservation, for eradication of tuberculosis and brucellosis in cattle, for forest-fire prevention in cooperation with the States, and for many other places, including the school-lunch program.

Some of us on this committee believed in those programs, along with extension and research, and we did not feel we could increase worthwhile research and extension work at the expense of or reduction of these other programs.

If we did not balance it out, then we had to exceed the overall budget, so then we ran counter to everybody's desire to balance the national budget.

We are in the same position again this year, in that about a $13 million increase has been requested in the budget for research and extension, but in the same budget we have reductions in soil conservation, with about 58 new districts with no money to staff them.

I was pleased to note your statement on school lunch, where you recommend the restoration of $15 million. It has been my personal opinion that, having some money to be used to buy those commodities that made for a balanced lunch, actually added to the means of using those commodities in surplus.

I do regret to note that your organization does not say anything about the Soil Conservation Service, though I believe you do mention the ACP program.

We were asked to extend over $7 million of ACP money to meet a very acute drought situation out in many States now. I had hoped you would have a chance to go along with us in increasing the ACP program, in this period when farm income is down and when it is difficult to get the farmer to do good soil work because of his financial situation.

I have a report from the Department of Agriculture that in 1954 the farm income in Mississippi was off 21 percent.

The Department of Agriculture made a survey in the South—practically all the damage was in the South—showing 55,342 farm families were left without a home under the cotton acreage reduction, and 130,000 farm families with less than a thousand dollars gross income, would have their income reduced by more than $100 by this acreage reduction.

I had the Department of Agriculture get up some figures showing cotton and various commodities that were not even offering for sale in the world market on a competitive basis. We offer them on what the Agriculture Department calls a competitive basis, where we establish a fixed price.

I have in my office a report from Mr. Wilgar at who leads the staple cotton association at Greenville, Miss. It shows that in the last week we have been unable to sell cotton in England because Russia was underselling us 2 cents a pound. In connection with sales in two other foreign countries, Indian cotton was being offered below our so-called prevailing price.

Then as we study the matter further, the reports of the Commodity Credit Corporation show that next year, on commodities we do not offer to move on a competitive basis in world trade, they expect to spend $263 million in storage and handling charges.

I notice where, if I read the press right, you were opposition—upon request, I am sure—to the proposal to the Commodity Credit Corporation that it use the authority under its charter to sell these commodities in world trade competitively, on a basis of controlling the amount by offering small amounts and then watching the market and

offering more as the market would absorb it, keeping to the department the decision from day to day as to what action to take.

Certainly, that is your privilege. This thing is big enough to have a lot of views expressed. And I am interested in yours.

Mr. RANDOLPH. The only press statement I saw on that which referred to my statement was one sentence in the Commercial Appeal.

That was incorrect. The press report there was not right. My testimony was not as reported in the paper.

Mr. WHITTEN. What are your views on it?

Mr. RANDOLPH. On the matter of the export of cotton—is that the point you want to cover?

Mr. WHITTEN. It applies to various other commodities in a similar situation.

Mr. RANDOLPH. There were some questions asked me by Senator Eastland of your State, about twice I think or maybe three times.

He asked me if I did not believe that—we were talking about cotton at that hearing—if I did not believe that the price of our cotton should be competitive with the price of foreign growths.

At least twice I answered that question "Yes."

However, I also stated that at the present time the price of American cotton is competitive with the prices of others.

Mr. WHITTEN. Now what do you mean by that?

Mr. RANDOLPH. The price of our cotton is about the same as it is of cotton being offered for sale by other countries.

In some cases it is a little higher and some cases it is lower.

Mr. WHITTEN. I have a report from the Liverpool market that our cotton is not moving at all because Russia is selling it there. And the staple cotton people have been denied sales because of India. I have all sorts of cotton announcements completely to the opposite, so I just wonder what you base your statement on.

Mr. RANDOLPH. I base it on the reports of the Department of Agriculture and on several private reports giving the price of cotton, and I have some of them here.

Mr. WHITTEN. What Americans have moved cotton, within the last 10 days, if you know?

Mr. RANDOLPH. I am not quite as up to date as that, but during 13 weeks which ended February 24, which is the latest information I have, we exported 1,469,000 bales of cotton—United States cotton.

That is at the rate of 113,000 bales a week. It is an average of 113,000 bales a week, and it would be at the rate of 5,844,000 bales a year, assuming it would run that good throughout the year, which it won't, but I think it will run good enough to give us an export in excess of 4½ million bales.

Two leading steamship companies, ocean carriers, report that bookings for space to ship cotton during March indicates that the exports during March will be at a rate larger than in February.

Mr. WHITTEN. Your answer, Mr. Randolph, as I see it, fails to meet what I think the chief defect is in the whole Government policy. We have before us the statement of Mr. James A. McConnell, Assistant Secretary of Agriculture, who has headed the Commodity Credit Corporation.

His whole statement on commodities says "We have disposed of"; "In the coming year we will have so much disposition"; "The dis-

appearance of commodities is thus and so"; "We have granted so much and we are bartering so much."

Nowhere in his statement does he use the phrase "we sold and got dollars."

I said, "Mr. McConnell, if this was a private organization and you had a manager and you called him in to see how your corporation was getting along and he told you, 'We have given away so much, we have bartered so much, we have disposed of so much, and we have had so much disappearance', and he never did tell you how much money he sold it for, how long would be hold his job?"

Now the question I ask, again, relates to your statement as to how much we have exported or gotten rid of. And the reason for that is this: The record in our hearings will show that Brazil last year increased her cotton acreage by 500,000 acres; Mexico increased hers by some 200,000 acres, and so on, with various other foreign countries.

Mr. RANDOLPH. I do not believe I have the figures with me by countries, but increase in world acreage last year, Mr. Chairman, was 3 percent.

Mr. WHITTEN. My information comes from our agricultural attachés, and we have in the record here a statement from Peru where Anderson-Clayton has gone down there——

Mr. RANDOLPH. I do not say you are wrong.

My statement was entirely different than yours. I was taking the entire area outside of the United States as a whole. The acreage increase was, I am pretty sure, 3 percent.

Mr. WHITTEN. I would like to know the source of your figures. It depends on the source of information in your case and in mine, too.

Mr. RANDOLPH. Sure it does. Now, these figures are for the free world, outside of Russia. The change in fiscal 1955 and 1953–54, the free world total, is 9 percent. I was wrong in using 3 percent.

The source of that is the International Cotton Advisory Committee report, February 1955.

It was three and a half million acres, or 9 percent.

Mr. WHITTEN. I want to call your attention to a statement by a man who went to India to dig deep wells. This applies to other commodities, too.

It will appear under Commodity Stabilization Service in volume III. It shows that we have on hand approximately three-and-some-odd-million dollars of supply. We are paying over $200 million a year storage and it is not even offered for sale in world trade on a truly competitive basis.

The record also shows that in this one country of Peru, one firm has gone down there and cleared almost a million acres. Half of it went to Peru, the other half to Anderson-Clayton, and the other half went into cotton.

Senator Eastland's hearing showed that 25 percent of Mr. Hohenberg's operations went to Mexico.

All this was done under foreign aid, where we dug deep wells and so forth to set them up in business. But I think our giving them an assured price has done us more damage than the good that has been done for them through foreign aid.

Now, we have not done anything to stop that increase in foreign production, which increases fast as we cut our folks down.

I would like to know what the answer to that is, in your judgment.

Mr. RANDOLPH. Will you let me put into the record our policy on this?

Mr. WHITTEN. I will be glad to have it.

Mr. RANDOLPH. I am quoting now from our 1955 policies which were adopted December 16, 1954, at our annual meeting in New York City. I want to make two quotations:

> To expand support markets for farm products we must be prepared to deliver quality products competitively priced and vigorously merchandised in markets where customers have the ability and opportunity to earn dollars to pay for these products.

That is the end of the quotation.

Now, I call your particular attention there to the words "competitively priced."

That is in the resolution on international affairs.

Another one entitled "Agricultural Policies" contains these pertinent paragraphs:

> We must guard against legislation or administrative action which would demoralize markets or create unfair competition for producers, either at home or abroad.
>
> However, the executive branch of the Federal Government should not stand idly by and watch foreign outlets shrink when supplies are available in the United States. It requires much less effort to maintain an existing market than to regain one that has been lost.
>
> Accordingly, whenever supply is threatening to become excessive, action should be taken in a timely manner to permit United States farm products to maintain a fair and stable competitive position in world markets.
>
> This should include the use of CCC, or other funds, whichever is appropriate, to encourage the movement of commodities directly into world trade through private channels before they become the property of the Government.

Mr. WHITTEN. I am glad to have those statements.

I am glad to know that your organization is giving attention to this problem, because it is serious.

I value this chance to discuss it with you, both as an individual and in view of the long work with your organization.

My analysis indicates that the world does have dollars. If we ever slow down our military expenditures, I do not know what our trade situation is going to be. But as of now the world has dollars. However, because we do not offer our commodities on a truly competitive basis, we are only getting 18 percent of the dollars that they spent back with us, whereas in 1939 we got 29 percent. That difference in the percentage of dollars that they do have, I think, represents the failure to make our prices truly competitive with others.

If we do not get our markets back during this period when our military dollars are going over there; then when we quit spending those dollars and there is a trade deficit, our problem will be 10 times as tough as it is now.

Mr. RANDOLPH. I think the chief difference of opinion—I gather from what you say—between your point of view and mine is on what we mean by the term "competitively priced."

I believe our cotton is now competitive on the world market. Apparently you take a different view.

Mr. WHITTEN. May I develop your statement further by asking you this?

Mr. RANDOLPH. Here is a table.

Mr. WHITTEN. That is a list price. But if the other fellow reduces his price to get the sale, and we do not, that is not what you call competitive.

Mr. RANDOLPH. Suppose we did say we would sell our cotton at 5 cents a pound less than we do now?

Mr. WHITTEN. In my opinion, the thing to do is to get 50 points under that. The thing to say is that we are going to get our price below the other fellows, and we are going to move it.

If we set $3.75 on a shirt and let our competitor across the street sell for $3.65, we will be out of business. And that is what happens to us all around the world.

Mr. RANDOLPH. We are selling a good deal of cotton right now in the world market.

I know the gentleman you spoke of there who manages the Staple Cotton Cooperative in Mississippi, and I have a high regard for him.

What he says may be the truth. He may not be selling his cotton right now. I think the probable reason for that is that the particular type of cotton that he has is actually in short supply and the price of that particular cotton is higher than the price in London.

Mr. WHITTEN. I am sorry I do not have the letters with me. I have them in my office. In this particular thing, I am taking their word for it that their cotton is comparable cotton.

Russia is just in there, in that instance; and in the other case it is India.

Mr. RANDOLPH. Perhaps I did not make my point clear.

What I was trying to say was, I think the cotton is an inch and a thirty-second to an inch and three thirty-seconds.

I am not sure but it is in that range. I did say that cotton is not competitive on the world market because there is quite a demand for it in this country, you see, and the price runs 375, or more points above what they call the basis.

Now do not expect me to explain what the basis is because I am afraid I could not, but you know generally what it means.

That particular cotton is not competitive in price right now, I think we have used it in this country.

Now there are other kinds of low-grade cotton, some of which is held by the Cotton Producers Association, in Atlanta, for which there is quite a demand.

With the exception of those two groups of cotton, so far as I know, we are competitive on the world market.

Mr. WHITTEN. I would have to take a different view, from all the information I have. My information is to the contrary. We could be getting our information from different places.

I differ with your organization on the flexible support prices as against the firm price support level. There is no need for going into all the ramifications of that.

If there is real merit to your side of it on flexible supports—if you are going to hold these commodities off the market and make up the difference in the investment by adding storage charges to it, even if your arguments were sound, you would quickly dissipate the benefits of any lowered support level, wouldn't you?

If you are paying out over $200 million a year in storage, it would quickly take up the slack between a flexible support, which you think will help, and a firm support.

If we had firm support under present law where the Corporation can sell competitively in world markets, if they would go ahead and sell and cut out storage, the Government would be just as well off, and maybe better, as against having flexibles and having heavy storage costs.

Isn't that right?

Mr. RANDOLPH. As far as cotton is concerned, there is no change in the price support.

Mr. WHITTEN. It has not reached the point yet of changing.

Mr. RANDOLPH. It is my opinion that it won't for the next 3 or 4 years. You have a 90 percent price support on cotton—on account of the set-aside.

We are talking about cotton here.

I would like to talk about wheat, a little.

Mr. WHITTEN. That is one of these other commodities that is in trouble.

Mr. RANDOLPH. The situation in wheat is quite different than it is in the case of cotton. We have a support price on wheat or we had one for the 1954 crop, that averaged about $2.24 a bushel and for the 1955 crop it will be about $2 a bushel and you can sell wheat on the world markets for about $1.95.

We have supported that program.

Mr. WHITTEN. At a time when they are seeking some 50 or 60 new Liberty ships on the west coast to store grain in, CCC raised the price on our wheat by 1 cent a bushel.

Can you explain that one to me?

Mr. RANDOLPH. The price of commodities went up and the parity price went up, I assume.

Mr. WHITTEN. If we hold the excess commodities we have and add carrying charges and losses and so forth on the part we are not even offering for sale, don't you think we could quickly thereby dissipate any advantages that you see in the flexible support?

Mr. RANDOLPH. I don't think there is necessarily any connection between the two things.

Mr. WHITTEN. The flexibles were supposed to cause the Corporation to require less investment. If it has less investment in it initially—which was one of the chief arguments for it—can't you make your total investment greater by holding on to it and paying annual storage?

Mr. LYNN. I doubt if any adjustment program is going to work as long as we have this accumulated stock on hand.

Mr. WHITTEN. Unless we sell it.

Mr. LYNN. Unless we sell it.

Now, in regard to selling we have been working with the Department of Agriculture very vigorously on this point, as you know. We had Public Law 480 to fill this gap until somebody decided what to do.

I don't know whether these figures are exactly correct or not but they are generally correct. On dried milk we have 17 cents a pound. We are offering that for sale at 11.5 cents a pound which is supposed to be competitive. On cottonseed oil you know what has been done on that in the last 12 or 14 months.

We had about 14 cents a pound in it and everybody selling it for 11 or 11½.

In the case of wheat as has already been indicated, the domestic miller of wheat if they get it through the CCC, and that is about the best grade of wheat available, they will offer it at about $2.39 and we offer it for export at $1.65. In the case of butter we are offering to sell it for 41 cents a pound when it is listed with CCC at 65 cents a pound.

Mr. WHITTEN. As long as we fix a pegged price, all our competitors have to do is move under that.

Mr. LYNN. That is why we are for flexible.

Mr. WHITTEN. You are for flexible support. Are you also for flexible sales? Are you for flexible sales where you let the price down to where it will move?

Mr. LYNN. We——

Mr. WHITTEN. I am taking issue with the Government policy which we have been following.

Mr. LYNN. We like to think that we had some influence on the Department of Agriculture, based on these policies, Mr. Randolph read, in getting some of these things done whereby we believe that with the combination of sales for sound dollars and the expansion of consumption into 480, that it is resulting in the movement of more of these products. We can say that we have been a party to recommending some of the reductions.

Mr. WHITTEN. Don't misunderstand me the least. I welcome your efforts. If we differ as to our means, we will thrash that out. But I hope you do see that we have to do something here.

Mr. RANDOLPH. In the case of cottonseed oil we supported the Department in selling that. I think they started selling it at 11 cents. They had 15 cents in it and I guess more than that including storage. and it has moved.

Mr. WHITTEN. They testified they moved $453 million worth of it. In other words, they were commodities that we got them to offer for sale in the past fiscal year, on a competitive-bid basis. In every place where they offered them for sale competitively, they sold them.

Now, why we can't get them to break loose on these almost $4 billion worth of other commodities, where they are trying to use 480. I think we have made a mistake in trying to use 480 prior to trying to move them through competitive sale.

Mr. RANDOLPH. We hope about half million bales of cotton will be moved under 480. That is what the Department said and I hope they are right.

I think the only point we have in conflict is that I am of the opinion that we are selling quite a lot of cotton on the world market and our prices are generally competitive. You have evidence which leads you to believe that my belief is not accurate.

Mr. WHITTEN. If it should develop that my facts have the more accurate source, and if the situation develops so that it is apparent then we have a prevailing price basis, whereby we are losing our markets, would you then be willing to meet the competition and sell this?

Mr. RANDOLPH. Yes. That is what these resolutions say. I was chairman of the committee who wrote them and I voted for every one of them. But I don't believe that we need to subsidize cotton and sell it for a low price now.

Mr. WHITTEN. I read your statement in the Farm Bureau magazine in which you said some folks were mistakenly advocating selling at a reduced price.

Let me say this: If we advocate offering cotton on a competitive bid and we offer 50,000 bales, is there anything to keep Anderson-Clayton and Mr. Hohenberg from paying $1 a pound if they want to? Have we advocated a reduced price when we lay on the counter to sell to the highest bidder?

Mr. RANDOLPH. I said some people advocating the sale of American cotton at unnecessarily low prices in the world market——

Mr. WHITTEN. Whom did you have in mind?

Mr. RANDOLPH. I had in mind some farm groups.

Mr. WHITTEN. When we offer it on a competitive-bid basis, you realize it doesn't necessarily reduce the price, unless you offer it in such quantities to put it where the market won't absorb it?

Mr. RANDOLPH. All I know about your advocacy of the program for selling cotton is all hearsay. I haven't heard you say anything about it nor have I read anything in the papers. So I couldn't necessarily be referring to you.

Mr. WHITTEN. I wanted to clear it up.

What I read was in the Farm Bureau paper.

Mr. RANDOLPH. I hope they reported it accurately.

Mr. WHITTEN. What is your answer to keeping our fair share of world markets and holding back this increase in foreign production? What would you do to protect the American grower? What is your suggestion?

Mr. RANDOLPH. I suggest we sell it as soon as we can. Set it at a price where it will sell.

Mr. WHITTEN. Well, you can't sell it unless you do.

Mr. RANDOLPH. Well, we are selling it, Mr. Whitten.

Mr. WHITTEN. I beg to differ with you.

Mr. RANDOLPH. It is my opinion and my information supports my opinion. Perhaps your does, too.

Mr. WHITTEN. We have about $4 billion worth of various farm commodities on hand that haven't been offered at a price where they will sell.

Now, you will agree that the farm law provides open-end supports through the Commodity Credit Corporation operation.

Mr. RANDOLPH. That is right.

Mr. WHITTEN. You will agree that the law provides for the CCC selling its commodities, won't you?

Mr. RANDOLPH. Yes.

Mr. WHITTEN. And you agree that it has authority in its charter to make the prices competitive in world trade to the point of selling?

Mr. RANDOLPH. That is either in the charter or the law. It was first in a law sponsored by Carter Manasco, I remember.

Mr. WHITTEN. How long do you think we should pay storage and thereby use up our investment, before they use their authority to sell.

A lot of this cotton they have, so I am told, will have as much as 40 cents a bale storage charges on it. If they had sold that before those storage charges got so high, they could have taken less per pound for it and come out even. I don't mean they should have sold it as soon as they got it. But there is $40 a bale that they have added

to the Government's loss, just by holding it. How should we correct that?

Mr. RANDOLPH. The Secretary of Agriculture made an announcement some time—I think it was last spring, but I am not sure just when—that there would not be a subsidy during this marketing season and I am sure he would keep his word. He has made this statement that there would be no export subsidy, or an operation of that nature during this marketing year.

Now what I said in my statement here was that if the foreign buyer gets to believing that there is going to be enough agitation, Congress might pass some legislation or something and if you think cotton is going to be cheaper later, they will be less anxious to buy it.

That is one point. Then the second one is—I am not sure I understand just what you are advocating. I do want to understand it, though.

Mr. WHITTEN. I am advocating selling it the best way you and I both can figure out.

Mr. RANDOLPH. That is a good advocacy.

Now, we do have this problem. These other folks probably would cut prices, too, if we do. I don't know just what the final low point would be, or how low it would go on the world market. I am just simply taking the view that cotton prices are now competitive on the world market and we are selling quite a sizable volume of cotton. I think that is a good position to take.

Mr. WHITTEN. I would have to come back and say we are moving some. However, I have checked further. It was indicated here that under 480 we had commitments for a tremendous amount of money. I have reviewed it since then and the only one where we have a firm acceptance and delivery is on about $50 million of it. There were some high hopes about 480, but they are still in the hopeful stage.

Now, turning to wheat, the Department shows that next year, this coming fiscal year, it will cost them $125 million to store wheat. Now, how long are we to pay those storage charges before we sell it and move it?

Mr. RANDOLPH. Wheat is being offered at competitive prices now.

Mr. WHITTEN. Again it comes back to offering something at a prevailing price which isn't competitive. Prevailing prices make us a residual supplier.

Mr. RANDOLPH. We are down to $1.65 and we can go down to $1.50. I think that is the more or less so-called pure form of an export subsidy where payment is made.

Mr. WHITTEN. You would agree with me that benefits you see from the flexible support level are dissipated by putting them in storage indefinitely.

Mr. RANDOLPH. I think you ought to say this about flexible supports. They haven't gone into effect yet.

Mr. WHITTEN. I want to say again that I believe in extension and research and I think your organization does and I think rightly so. But the only cures that I have heard for what ails us throughout these hearings is more extension and more research. That is the answer that the Department has given us so very, very often. Now, the farmer's costs are going up and his prices are going down, and there is a 21 percent reduction in farming in Mississippi last year—

and as you say the flexible support levels haven't even gone into effect down there on cotton yet.

Mr. RANDOLPH. And won't.

Mr. WHITTEN. And when you see 55,000 people put out of a home and and you see production increasing in Mexico, can you point out any cure to me? What can we look forward to? What can we do about it?

Mr. RANDOLPH. I have some figures which show that by 1957, we ought to have our cotton carryover down to about 5 million bales. Of course, there are several assumptions in there which may or may not be correct.

Mr. WHITTEN. Now, I am going to get the accurate information from an investigation we have requested to find out. But by what we already see, by 1957 foreign production in cotton will have increased to the point where it will absorb anything we do in cutting back our farm production. Other countries will have taken up the slack.

Mr. RANDOLPH. You must bear in mind that the big increase in production in 1954, the big cause for the increase in production in 1954 was not the increase in acreage—that is part of it—but it was good weather.

Mr. WHITTEN. You are talking about our domestic production?

Mr. RANDOLPH. In the world as a whole. We had quite a high yield of cotton last year.

Mr. WHITTEN. We can't ignore Mr. Hohenberg of Memphis, the itnernational operator. We can't ignore the fact that he put 25 percent of his total production in Mexico. We can't ignore the tables in this record that show Andersol-Clayton went into Peru and put in a million acres of land, and half of it went into cotton. Those are established facts and I think the reason they have done it is that, with this umbrella that we have held over the world prices, they have an assurance of price. Do you see how having a county agent in every home could relieve this cost-price squeeze that we have?

Mr. RANDOLPH. They could contribute a good deal to it.

What we need in all of agriculture. and we will continue to need it, is to reduce the cost of production. That is where the scientific information and the county agent system makes its biggest contribution.

Mr. WHITTEN. I don't want to be in the position of not believing in that, myself; but some things are beyond their reach.

Mr. RANDOLPH. Certainly, there are a lot of things beyond their reach.

Mr. WHITTEN. In agreeing that we need to reduce costs of production, certainly you wouldn't say that raising the minimum wage to 90 cents would help.

Mr. RANDOLPH. We didn't advocate that.

Mr. WHITTEN. I know you didn't. But where we see that 57 cents of the consumer's dollar is going to everyone between the farmer and the consumer, don't you think that we could help the farm picture by working on that 57 cents? We should find out where it is going and then we will know where to look.

Mr. RANDOLPH. That is quite right. In fact we oppose the increase in the minimum wage.

Mr. WHITTEN. May I thank you for your statements. I want to let the record show that, while I have used the illustration of cotton because I know it, there are 10 or 15 commodities, including wheat, corn,

and various other commodities, which have the same problems. They apply to the major commodities that we have across the board.

Mr. RANDOLPH. The worst problem we have is wheat, Mr. Chairman, and cotton is also a pretty bad problem.

Mr. WHITTEN. Nationally, that may be so; but the fellow who is out of a home might not agree with you.

Mr. RANDOLPH. I am talking about the national situation.

Mr. MARSHALL. Mr. Randolph, your organization has been advocating more flexibility in farm prices, I believe.

Mr. RANDOLPH. Farm-price supports.

Mr. MARSHALL. I picked up an issue of the Nation's Farmer, and I found in that what I thought was rather pertinent information on the number of commodities. It shows that, while the farm price had declined, the effect of the farm price didn't have too much effect in many instances on the retail price or the marketing margins.

Beef dropped in price when the margin increased. So did pork and fluid milk. Wheat dropped and bread went up; cornflakes also. Those are items that you might like to comment on.

Mr. RANDOLPH. In many cases farm prices can go down without any change in the retail price. Part of it may be reflected in the retail price and I think that is true in meats. Meats on the retail market have gone down. I haven't studied these charts but Mr. Hall calls my attention to the fact that these are percentages. Do you understand them, Jack? Maybe you can answer the question. I haven't had time to read that.

Mr. MARSHALL. If you aren't informed it wouldn't be fair to ask you, so if you would rather not comment on it, it is all right.

Mr. LYNN. We are just as concerned about this as you are. Our purpose of putting this in our publication was to draw it to their attention. We are working with whatever groups we can to see what we can do to cut out this difference between what the farmer gets of the consumer's dollar, and so forth. It is a real problem.

Mr. MARSHALL. We realize it is a great problem. We can't conceive of the price to the farmer dropping and the consumer paying approximately the same or even more.

Mr. RANDOLPH. There is a difference, of course, between the price of farm products and farm price supports. That is one point I want to make. These drops occurred when supports were not reflected.

The second point I would like to make on that is that the so-called flexible or variable system of price supports does not necessarily mean lower price supports. The chief characteristic of the flexible price supports is that under that system the price supports vary as supply and demand varies. Even in the act of 1949, if the supply and demand of a commodity is substantially in balance, price supports would still be 90 percent, even without the set-aside provided in the act of 1954, certain quantities were set aside and not used in calculating the level of price supports, which results in the case of some commodities in a 90-percent support like it does in the case of cotton. That is not true in the case of wheat. The support price of wheat would be lower under the act of 1954 when it goes into effect for 1955 and 1956.

Mr. MARSHALL. In your statement on page 6 you state that—

**We are convinced the record is now clear that the Secretary of Agriculture must have a mandatory direction from the Congress if diverted acres resulting from mandatory price supports are to be kept from injuring producers of other crops, livestock, and their products.**

Mr. Andersen and I had a bill in the last session of Congress, and we have a bill in this session of Congress, urging that the Department do something about making use of diverted acres.

However, the crux of the problem is that the Secretary has ample authority under the present existing legislation to make use of agricultural conservation payments for diverted acres; has he not?

Mr. RANDOLPH. He has authority but is not directed.

Mr. MARSHALL. You apparently have reached the same conclusion that Mr. Andersen and I have, that unless he is directed by the Congress, in some way or other to use the authority he has now, he isn't going to do it.

Mr. RANDOLPH. I would just say that he has not so far. There were some controls announced on diverted acres. Later they were modified. Later they were substantially removed. Not altogether but substantially so. I think that is what we mean there when we say if we are to have some reasonable and sensible program for the control of diverted acres, chances are Congress will have to give a directive that it be done, if it is going to achieve that goal. I am sorry that I am not acquainted with your bill except in a general way.

Mr. MARSHALL. We wish that your organization would study this particular bill. I think we are driving toward the same ends, but I do wish that you would look into it.

Mr. RANDOLPH. I am sure our staff members have read the bill. You will understand I am not a full-time worker for the bureau.

Mr. LYNN. Sir, you know for 2 years we have had a similar idea regarding the soil fertility bank. We have your bill together with some other ideas that we are trying to formulate and hope to have——

Mr. ANDERSEN. Could I say this? The Farm Bureau came out with the idea following Mr. Marshall's and my original suggestion. I saw nothing whatsoever in the press relative to anything of this nature before Mr. Marshall and I originally proposed it 2 or 3 years ago. I am glad to see that the Farm Bureau, and especially Mr. Schumann, has become interested in our method of attacking the farm surplus problem. Mr. Marshall and I can see no good in continuing to produce crops for storage purposes, and for which we have no immediate need. We are also joined in this opinion by the Izaak Walton League of America, who would even go beyond what we suggest. They suggest taking 60 million acres of marginal land out of production. We suggest a limitation of approximately 30 million acres, but to be good, average, productive land.

Mr. RANDOLPH. We are perfectly willing to take up a good idea when we see one.

Mr. ANDERSEN. I joined the Farm Bureau back in 1918, gentlemen, and I think it is a great organization. I am at opposite ends of the polls with them on the flexible price supports but that is about the only place where I have disagreed with the Farm Bureau. That is just a matter of a personal difference of opinion. The Farm Bureau has been the leader through the years in our great extension work, the 4–H Club program, and that alone to me entitles it to the name of a great farm organization, even though it has made a prime mistake in throwing its weight in behalf of the flexible price support program. Agriculture cannot exist on 75 percent of parity when everything it purchases is sky high.

Mr. MARSHALL. I would like to say, too, that I think many of us differ with the stand the Farm Bureau has taken on that particular program. But I know this, Mr. Randolph, if we get into that debate we will be here all night, and I doubt that we would convince each other.

Mr. ANDERSEN. Mr. Chairman, it is an honest difference of opinion.

Mr. MARSHALL. We note in your statement some comments on animal and plant disease and pest control.

Do you believe those funds are adequate?

Mr. RANDOLPH. I said we urge the committee to make sure that necessary work is adequately provided for, even though some increase above budget recommendations is required.

Now, in commenting on that, yes, we have as best we could, analyzed that, but the information available to us is not as extensive as that available to this committee because you have had these witnesses here from the Department and have questioned them about these matters and what we are saying here is that as far as we can tell, the Bureau of the Budget recommendation will enable this work to be continued on a satisfactory basis, but if the committee finds that that is not the case, then we favor the increase.

Mr. MARSHALL. You feel there might be a possibility that your knowledge might not be sufficiently complete to be able to say that the budget is 100 percent correct.

Mr. RANDOLPH. We are certain that it is probably not.

Mr. MARSHALL. We have had a number of people who have appeared before this committee feeling that the funds available for the control of the nematode, the white fringe bettle, the sweetpotato weevil, and gypsy moth are all inadequate. I am just mentioning a few. There might be others.

Mr. RANDOLPH. Our recommendation is if this committee finds that the funds for those purposes are not adequate then we favor an increase in them above the budget figure. Of course, this recommendation for increase in research relates also to the research phase of it. You will notice in our itemization there that some of that is on pests and diseases.

Mr. NATCHER. Mr. Randalph, I want to join with my colleagues in thanking you and the members of your organization for appearing before our committee. As you well know, Mr. Lewis Allen, one of your distinguished board members is from my home town. Lewis Allen is one of the outstanding farmers of the State of Kentucky and one of the outstanding citizens of my home county.

I noticed in your statement that you recommend to this committee that the school-lunch program reduction of $15 million be restored. I feel, Mr. Randolph, that this matter will be carefully analyzed by the members of this committee. I am certainly glad to see that you and your organization make that particular recommendation.

Mr. ANDERSEN. I am sure we are all pleased, having the Farm Bureau represented before us this afternoon. Mr. Randolph has made a very fine presentation in his opening address before this subcommittee. I agree with the bulk of what he has to say in that statement. I am especially delighted to see that the Farm Bureau has come around to the viewpoint of our subcommittee, in relation to keeping the school-lunch program where we had it this past year, because I think that you make a very true statement when you say:

To the extent of the reduction of $15 million in commodity procurement the use of funds out of section 32 of the Agricultural Adjustment Act in section 416 of the Agricultural Act of 1949 represents a substitution and not a real reduction in Government expenditures.

I am also very much pleased to see that the Farm Bureau takes the stand that it does relative to the proposed soils fertility bank which Mr. Marshall and I personally—first officially, I believe—presented to the Congress of the United States.

I cannot see, Mr. Randolph, where I differ from my old farm organization in their presentation before this subcommittee today very much, if any. I am disappointed, I might say, as Mr. Whitten stated, in your not at least having a separate paragraph, relative to the Soil Conservation Service in your report. I believe that particular agency and the work for which it stands is sufficiently important to place it on the same level as Extension. I want to see both prosper. Each in my opinion has their very well delineated field of work. Extension, the vast educational field, the Soil Conservation Service, the action field in soil conservation. I do want to compliment you on the general nature of your statement. To me it represents one of the best statements that we have received from the Farm Bureau in a good many years.

Mr. HORAN. This is a fine statement. You state, "We believe that the budget recommendation for the authority to formulate the 1956 program amounting to $175 million will provide a satisfactory program."

Mr. RANDOLPH. That was our opinion about the matter, unless we established the soil fertility bank and provided some legislation for control of diverted acres. If we did those two things, then we believe there should be some increased funds for that purpose.

Mr. HORAN. That clears that up. Then, perhaps Mr. Lynn could tell me about why you thought this was adequate.

Mr. LYNN. We believe, based on the latest record we have, which is the 1953 complete practices by States, that the $175 million is proving adequate, until we get into this item of the soil fertility bank, and the converted acres.

To check a few figures here, the participation in the ACP payment program, you will find from 1950 through 1953, has decreased. That is the percentage of farmers participating in it. For example, you have States like California where the participation is only 12 percent of the farmers. Then take the whole group of farmers that we think aren't participating as they should.

This is an increased use of inorganic fertilizer materials, which is a temporary practice, we believe, that should be greatly deemphasized, and more of the practices carried out which are of the permanent soil conservation type. Efforts at preventing the dust storms that are occurring.

Mr. RANDOLPH. I would like to supplement that, Mr. Chairman, with a little better answer than I gave before. As I recall last year we recommended $195 million, plus $55 million for diverted acres.

Mr. HORAN. I understand this recommendation is on the basis of $157 million and I believe there is a $20 million item which is available.

Mr. RANDOLPH. That may be. I had forgotten that. Anyway, this is about the same thing we recommended last year.

Just as Mr. Andersen stated, though, we are not too critical of the program. We feel that these funds could be used more effectively. There is the soil fertility bank idea. The control of diverted acreage and third the one that Mr. Lynn alluded to, there, we feel that payments should not be made as they are now in some instances, for practices which have become routine, in a community or county or State, but only for such practices that result in some permanent improvement. The term "permanent practices" is not quite right, but it is the best one we have been able to think of.

Mr. HORAN. Would you include the fertility bank in that as a permanent improvement?

Mr. RANDOLPH. Well, maybe not as a permanent one, but we would include it in the desirable kinds of practices.

Now, maybe the word "desirable" does not describe the kind of practices we want.

Mr. HORAN. You wouldn't class it as temporary?

Mr. RANDOLPH. Let me read you a resolution, if I can find it for you.

Mr. MARSHALL. When you find it, it will be printed in the record.

(The resolution referred to follows:)

Appropriated funds for the agricultural conservation program should be allocated on the basis of conservation needs. Payments should not be made for practices which have become a normal and accepted part of farming operations in the area in which a farm is located.

Mr. HORAN. The whole principle of price supports on the one hand and the Commodity Credit Corporation in the middle and acreage allotments on the other side, the whole principle of the Commodity Credit Corporation, unless we are alert and keep the operations going, it works up to the place where we do become automatically residual suppliers. Not only abroad, but at home, too. Isn't that true?

Mr. RANDOLPH. It is true to some etxent, I think; yes, sir.

Mr. HORAN. It has been brought out in the hearings that acreage allotment should have gone into effect in 1952, when on July 1 we had 256 bushels of old-crop wheat. Unless we put acreage allotments into effect, we continue to build surpluses as we did—it jumped up to over 500 bushels in 1953 and then up to more than 900 bushels in 1954 and it is expected to be 965 bushels next July 1.

What I am getting at is that, in order to have price supports, we set up the Commodity Credit Corporation to make loans to farmers. That carries with it the obligation to keep a balance in our production; doesn't it?

Mr. RANDOLPH. I'll answer that this way, and then I would like to have Mr. Lynn comment on it, too: We feel that farmers should take a part of the responsibility for adjusting production in return for Government-price supports. That is one of the principles that has been embodied in all of the agricultural legislation that we have had, except the so-called rigid, 90 percent price supports, which were enacted originally as a war measure to stimulate production. You have almost ruled against talking about price supports, but I can't answer that question without doing some, if that is permissible.

Mr. MARSHALL. We should stay pretty much within what we have already said on the subject.

Mr. HORAN. Commodity Credit is supposed to be a stabilizing influence on an orderly market; isn't that true?

Mr. RANDOLPH. That is true.

Mr. HORAN. Isn't it also true that Commodity Credit at this stage in the game, with responsibility at least over $7 billion worth of commodities, that if they were to throw those on the market they would demoralize every market at home and abroad; isn't that true?

Mr. RANDOLPH. Yes, of course, that is true.

Mr. HORAN. Every man is entitled to his day in court, and we had Benson up here and I want to read from the record on this. I quote from page 13 of Benson's prepared statement and he is talking about cotton. I want an answer from a man who comes from a cotton State. I am quoting from the Secretary's statement, here:

> With an export price below the support level, cotton moving into export would first move through the loan program into the stocks of the Corporation and back out to the trade, rather than through normal trade channels from the producer to the exporters.

Then I asked:

> With an export price below the support level, cotton moving into export would first move through the loan program into the stocks of the Corporation and back out to the trade. If we were to reduce the price of cotton to work of the CCC, what is your opinion? Do you think other countries would be likely to follow this downward trend competitively?
>
> Mr. BENSON. I do not think there is any question about it, Mr. Congressman—and bear in mind they can produce more cheaply than we can.
>
> Mr. HORAN. If that happened, how much extra might we sell?
>
> Mr. BENSON. We may not sell any more. It may result in a lower world price and losses on the exports of American cotton.
>
> Mr. HORAN. It is possible that all we would do would be to reduce the total of our export sales?
>
> Mr. BENSON. It is conceivable that this would be the result. Certainly we would find little if any support from any segment of the industry for a program with such a result. Our objective is to supply all the market available to us at competitive world prices.

Is that in line with your thinking?

Mr. RANDOLPH. Substantially so; yes.

Mr. VURSELL. Mr. Randolph, I have enjoyed your statement, and also the statements from the members of your staff, here.

I believe you are the vice president of the Farm Bureau Federation?

Mr. RANDOLPH. Yes, sir.

Mr. VURSELL. I would like you to know that I am very proud of the president of the Farm Bureau Federation, Mr. Charles Schumann, who is former head of the IAA, and I am glad to know that the great agricultural State of Illinois has been honored by such a splendid man as head of this great organization.

I think with you from the South and Mr. Schumann from the North, with that combination your organization will continue to grow and make a great contribution to agriculture.

Mr. RANDOLPH. Thank you very much, sir.

Mr. VURSELL. I think all the points of interest were brought out and discussed and I know there are other witnesses yet to come before this committee. I believe that I have no further questions.

However, I might make this observation. This might not be in line with the thinking of all of you: I realize and I believe nearly everyone around this table realizes that, under present world condi-

tions, present financial and economic conditions that have been brought to this country through 2 or 3 wars in the last generation or so, and the leadership we have been called upon for, and the immense amounts of money we have spent abroad, we have brought ourselves to a point where we have got to live with an economy that will support the threatened war conditions in the world at the present time, as they may exist for the next 10 years We hope they will not exist that long and that we will enter into an era of peace and good fellowship among the nations of the world. But, as long as we are in that condition, we cannot have all of the research and farm organizations work we would like to have. We cannot have all of the soil-conservation activities we would like to have. We are making progress during the past 20 years, the likes of which we never dreamed about.

I think we have to try to live within the prescribed budget in all the departments of Government, to protect the financial stability of this country and keep our first line of defense, the financial solvency of this country, sound.

Mr. ANDERSEN. Would you yield, Mr. Vursell?

Mr. VURSELL. I'll be glad to.

Mr. ANDERSEN. It is up to the Congress, however, to decide in the final analysis on the appropriations.

Mr. VURSELL. I realize it is up to Congress to decide on the appropriations. I am not saying I will not go along with some increases. I will, where I think they are absolutely necessary, but I've got my eye and my ear tuned to such economy as in my judgment that we may be able to carry on, on all fronts, though some of them feel that they are not progressing quite as rapidly as they would like to do.

That's all, Mr. Chairman.

Mr. RANDOLPH. Mr. Chairman, I would like to comment on the gentleman's statement and say I appreciate his statement, and say we have not asked for all the research we would like. If we had, instead of asking for $12 million increase, we probably would have asked for twice that much.

As we state on the first page of our paper, we appreciate the need for coming as near as we can to balancing the budget but I do believe that this small increase that we are asking for in research is justified and actually projects have been developed that would take about $30 million to carry out. We feel our request is modest.

Mr. VURSELL. I have observed with a great deal of pride that under the leadership of Allan Kline, Charlie Shuman, you, and others, that you have always been conservative in your demands. You have always been interested in as much economy in the operation of the farm programs as was possible.

My remarks are not intended to be any criticism to the position you have taken today or that you have taken in the past.

Mr. RANDOLPH. I didn't think so, at all. I was agreeing with you, except we were just hoping you would think that $12 million increase in research is not excessive.

Mr. VURSELL. I expect to go along with some of these things here. I think there are some places where it might spend a little more money than the budget requests. After all, I realize that the President and his financial arm, the Budget, has a very great responsibility. That is a job that none of us would like to have and I can see your side of the picture at the same time.

Mr. MARSHALL. Mr. Randolph, we appreciate having you and your group come before this committee and give us your views.

Mr. RANDOLPH. Mr. Chairman, it has been a pleasure to have the opportunity of testifying to this committee.

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FRIDAY, MARCH 11, 1955.

## MARKETING RESEARCH IN ORNAMENTAL CROPS

### WITNESS

### ROBERT H. ROLAND, SOCIETY OF AMERICAN FLORISTS

Mr. MARSHALL. The committee will come to order.

We are pleased to have before us Mr. Roland, of the Society of American Florists.

Mr. Roland, if you have a matter to take up with this committee you may proceed.

Mr. ROLAND. Before going into my prepare statement, Mr. Chairman, there is a matter I would like to compliment this committee on and that is the very fine and favorable consideration it gave last year to our request for appropriations for research at the Beltsville Station.

I think some of you will recall that I had been deploring for some time the fact that the top level scientists out there at that station had to do their own laboratory work and had no junior staff level and no laborers' help in the greenhouses.

I am happy to say now that as a result of the increase which the Congress granted last year, they now have added such laborers and have also added good, junior staff people.

Mr. MARSHALL. This committee is appreciative of that, because it further justifies the action that this committee took.

Mr. ROLAND. That is right.

I think it is important to mention some of the factors that entered into the getting of these really good junior staff people.

I think you are all quite familiar with the fact that there is terrific competition these days for well-trained and good scientists and very frequently, if not always, money enters into that competition.

I will say that out here at Beltsville, however, three things are more important factors than that.

No. 1 is the very high regard held through the scientific people for the top team of scientists who have been there for some time.

No. 2 is the exceptionally good physical plant with which they can work and third, the very finely equipped laboratories.

Those things have enabled the Beltsville people to get some really fine junior staff people, and we are very, very happy about the whole thing.

Again I say we appreciate your action in that respect.

Mr. MARSHALL. Thank you.

Mr. ROLAND. The problem today is not a serious problem but I want to review some of the things that have been done in the Agricultural Marketing Services for us.

The special census of horticultural specialties, published in 1952, provided the first comprehensive statistical picture to be had of the economic importance of these crops.

Specifically, the sales by the farmer or producer, amounted to $467 million. Floricultural crops (cut flowers and potted plants) accounted for about 70 percent of this total, or $322 million.

It is pleasing to report that the significance of this crop in relation to all agricultural crops was recognized almost immediately by the Bureau of Agricultural Economics—now a part of Agricultural Marketing Service, USDA.

Immediately after publication of the special census, Mr. Truman Fossum, then on the staff of the Society of American Florists as a research economist, explored the possibilities of a descriptive statistical compendium based on the census.

In the early stages of this work it became necessary to consult with BAE officials. They were so impressed with its potential significance that they undertook the work. Arrangements were made to have Mr. Fossum participate in the study as a special agent of the Bureau, on leave from the society.

The report was published in April 1953 with the title, "Trade in Horticultural Specialties." An original issue of 1,500 copies was soon exhausted and a second printing was made. This fact is cited to evidence the general interest within the industry and the realization of the great need for study of the marketing and distribution of its crops.

This need has been intensified by a very substantial increase in the production of florist crops. The Farm Income Situation, released September 10, 1954, shows cash receipts for the Horticultural Specialties to be $604,472,000 for 1953.

If the 70 percent relationship of the census is applied here, and there is nothing to indicate it would be less, the value of florist crops was $423,130,000, in 1953. This is an increase of 30 percent since 1949, the year for which the census figures were taken.

A comparison with the receipts from a few other commodities, the importance of which are widely recognized and accepted and therefore receive considerable attention in the research and service programs of AMS, is made here solely for their informational interest.

The following figures are from the Farm Income Situation for 1953.

| | |
|---|---|
| Cut flowers and plants | $423, 130, 000 |
| Turkeys | 317, 649, 000 |
| Rice | 256, 832, 000 |
| Oranges | 214, 216, 000 |
| Oranges, grapefruit, lemons and limes combined | 305, 133, 000 |
| All other tree fruits | 305, 770, 000 |
| Potatoes | 330, 128, 000 |
| Peanuts | 178, 054, 000 |
| Wool | 125, 626, 000 |
| Sheep and lambs | 136, 076, 000 |
| Sugar beets | 158, 663, 000 |

It is not intended or implied in any way that the USDA should extend its services to any crop on a fixed relation to the value of that crop.

All factors of public interest must be taken into account. The contribution of any crop in its relation to the overall economy of the country, however, is one of the most important factors meriting consideration in determining public interest. This should be particularly

so in connection with a crop the expansion of which is contributing to the needed diversification of land use in States with moderate to warm climates.

It is with a feeling of real appreciation that we comment on the recognition of the marketing problems of florist crops by Agricultural Marketing Service. A position of Floricultural Economist was established late in 1952 in the research division. A survey of transportation trends was made and published last year. It has been helpful in several ways.

This was followed by a very comprehensive study of crop specialization in relation to diversification. When completed it is expected to assist producers to determine if and at what point specialization or diversification is the more promising business procedure.

The basis for this study were special tabulations from the census, the major part of the cost of which was paid by the industry. The report of the above research is anticipated this summer.

AMS has under consideration further research of great potential value to the flower producers. The industry itself has and is contributing to research in marketing. Research projects have been developed at the State and regional level at 12 universities, many of them with industry participation.

Significantly all of this research has been started in the 3 years since the special census first emphasized the great need in this new field. We hope that this committee will encourage AMS to continue to expand its services in relation to the seriousness of the problems that need to be studied at the national level.

The society has sponsored two workshops for agricultural economists. One of the most important requirements expressed by these men as a basic need for market research, was a crop estimating and crop reporting service on an annual basis for the five major crops—roses, gladiolus, carnations, chrysanthemums, and potted plants.

There are some unique aspects of this industry that indicate such a service might be provided in a way that is quite simple and inexpensive by comparison with other crops. Basically, that is because of the very high concentration of production and distribution and the demonstrated cooperativeness of the industry.

For example, although there are nearly 12,500 firms engaged in flower production, 91 percent of all flower production is in 23 States and 70 percent of all flower production is in 100 counties.

A further factor in that situation is that the many smaller firms appear to be producers primarily of the so-called miscellaneous crops and grow an insignificant amount of the major crops.

Furthermore, a major part of these smaller firms are retail growers who sell direct to the consumer and, therefore, are not much of a factor in the commercial channels of distribution.

Finally, the industry has already established a high record of response to questionnaires by mail.

The nursery-industry picture is very comparable and it has asked you for a similar service for its production. It so happens that the logical seasons of the year most suitable for collecting and reporting the information for each industry are such that the same personnel could perform the service for both.

We are quite confident that a crop-reporting and crop-estimating service can be provided for both industries for a sum not to exceed $30,000. We respectfully request your favorable consideration of an appropriation of that amount for the services outlined.

Mr. MARSHALL. We thank you for a very excellent statement and for appearing before this committee.

Mr. ANDERSEN. Thank you, Mr. Roland, for a very good statement.

Mr. HORAN. You have given us a very interesting statement, Mr. Roland.

Mr. ROLAND. Thank you very much.

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FRIDAY, MARCH 11, 1955.

## SOIL CONSERVATION

### WITNESSES

**GEORGE HEIDRICH, SECRETARY, NATIONAL ASSOCIATION OF SOIL CONSERVATION DISTRICTS**
**NOLEN FUQUA, PRESIDENT, NATIONAL ASSOCIATION OF SOIL CONSERVATION DISTRICTS**
**BILL RICHARDS, VICE PRESIDENT, NATIONAL ASSOCIATION OF SOIL CONSERVATION DISTRICTS**
**A. D. HOLMES, SOUTHERN AREA VICE PRESIDENT, NATIONAL ASSOCIATION OF SOIL CONSERVATION DISTRICTS**

Mr. MARSHALL. We are very pleased to have representatives of the National Association of Soil Conservation Districts before us.

Mr. HEIDRICH. Will you introduce your members?

Mr. HEIDRICH. Mr. Fuqua is our president, and he will do that.

Mr. MARSHALL. I will ask you then to introduce your members.

Mr. FUQUA. I am Nolen Fuqua, president of the organization.

Mr. Bill Richards is vice president from Orleans, Nebr., and Mr. A. D. Holmes, southern area vice president, from Alabama.

### STATEMENT OF NOLEN FUQUA

Mr. FUQUA. Gentlemen, it is certainly a privilege to appear before you today to try to explain some of our troubles in the national soil-conservation work.

We have some copies here of some of the figures we wish to talk about.

As you gentlemen know, as you are no doubt aware, our appropriations in the past have been greater than they are at present.

They have been declining each year at the rate of about $2 million and our program has been increasing in workloads, all these years.

With the new organization taking effect, together with what we feel is a shortage of money to operate our technical end of the program—mainly SCS—we are interested in trying to explain to you some of the reasons why we feel we are entitled to a larger appropriation for the coming year.

We have subdivided this program into the present rate of assistance and the needs for new, organized districts and for the watershed pro-

gram and another which is very vital to us, the speeding up of the soil-survey program.

In all of these, excluding the speedup of soil survey, we came to a total of $75,115,000, which would strengthen us to the effect that we could begin to see daylight on the program.

I think it would be well to divide these into these subdivisions and have Mr. A. D. Holmes, our area vice president from the Southeast, to give you a résumé of the assistance needed by new organized districts.

Mr. MARSHALL. We will be very glad to hear from Mr. Holmes.

STATEMENT OF A. D. HOLMES

Mr. HOLMES. Gentlemen, the thing we would like to bring out is that each year our appropriations for the Soil Conservation Service has decreased.

The Congress has not given the appropriation to go into taking into account the need for new districts.

Each year we have 75 to 147 new districts formed in the United States. Last year there were 80 new districts formed.

There has been no provision in the appropriation to take care of the new technical help needed in these new districts.

Mr. MARSHALL. I might say to you that several members of this committee have expressed themselves in regard to that one phase of it. We are quite disturbed about the lack of attention that is given to newly organized districts, and we appreciate your comment on that.

Mr. HOLMES. In the past we have had to rob the old districts of their technical help to help these new districts along until we could find technical assistance to give them.

We have never had adequate technical assistance to the new districts except by robbing the older districts, which curtails the work in those districts. I might bring out this growth of the need for this technical assistance. The Congress has granted, through FHA, loans to farmers for irrigation purposes and soil-conservation work.

Then you have income-tax phases for soil-conservation work, and the tax is very popular in our part of the country. It is making us get into a lot of real conservation factors.

I might mention the watershed problem, too.

Those things are giving a great need for technical assistance and advice. When you have to rob the people from the old districts, and give them to the new ones, we curtail the work of those districts. That is——

Mr. ANDERSEN. Mr. Holmes, I want to call to your mind that this subcommittee, under my chairmanship, overrode the budget last year—and I quote from the report on page 8:

> The committee does not agree with the proposed reduction in the number of area field offices, and has restored $1,077,000 to provide for continuation of the present offices.
>
> In addition, it has added $2,190,000 to permit stopping of the 76 new districts which are being established in the fiscal year 1954, and the 67 districts which are expected to come into existence during 1955 fiscal year.
>
> The committee expects the Secretary to follow the action of the Congress in this recommendation.

Now that is, to my certain knowledge, during the last 10 years, something that has always been the viewpoint of this subcommittee.

We should make certain of sufficient technical assistance with which to staff the new districts.

We are in full agreement with you as to the need for doing so, rather than to thin out the technical assistance in the neighboring districts to the point where they can't do a good job. I am sure that you know you are speaking to a very friendly subcommittee here, insofar as the Soil Conservation Service is concerned.

Mr. WHITTEN. I am just wondering why you did not get the Bureau of the Budget to approve these figures so it would make it easier on us. If we could have gotten the Bureau of the Budget to recognize the need which this committee has pointed out repeatedly, it would certainly simplify the handling of the matter in the Congress.

I know that you gentlemen have done all that you can in connection with the Bureau of the Budget, but I did want to show that we have to deal with a budget which is reduced. And they have done it repeatedly.

I have pointed out in this record that, with regard to other programs in which we believe, too, the Extension Service and experiment stations have gotten increases at the hands of the Bureau of the Budget, last year and this year, which have come at the expense of reductions in other very much worthwhile programs.

Personally I think those two services can sell their case on their own merits. And may I say for their witnesses, that is what they attempted to do. They frankly stated that it was not their desire to get what they thought was proper attention to their program at the expense of others. And I appreciated that attitude on their part.

But I did want the record to show that for a number of years we have been faced with the Bureau of the Budget cutting out and cutting down soil conservation. Apparently the Bureau of the Budget thinks they need a new committee up here—or a new Congress. I would like to say, from my standpoint we need some new thought in the Bureau of the Budget on this program, as I view it.

That is a difference of opinion between them and us. But, frankly, I do not see how we can go along as far as you request, for the very reason that from a practical viewpoint we will have no chance in the world to get Congress to approve it.

Now, that is being very practical about it, but in saying that, I recognize your interest in it and recognize the program's value. This committee, I am sure, would like to go along for a higher figure.

I was talking to some of these people about these 11 watersheds, and one of them told me—this happens to be in the State of Texas—that at the present rate of progress it would take 120 years to complete their project. And yet we build dams and reservoirs throughout the world and put up all the money.

We will be glad to have your next witness, Mr. Fuqua.

Mr. FUQUA. I believe it would be well at this time to have Mr. Bill Richards explain the condition of our present assistance to key districts.

STATEMENT OF BILL RICHARDS

Mr. RICHARDS. Mr. Chairman and members of the committee, I welcome this opportunity to bring to you some of our experiences relative to the position of the technical assistance and other phases of assistance in soil conservation districts.

We in the national association have given considerable thought as to how we could come before this committee and be constructive.

We thought perhaps we might do that if we were to paint the picture of what is happening to districts, today, in the light of some of the recent congressional, and in the light of the program that the soil conservation districts themselves are carrying on.

As these districts become older and the supervisers understand their responsibility and actually get a programing, there is a natural impetus to that program and by that impetus, naturally you create a greater demand for the technical assistance to the farmers.

At the present time that demand for assistance to the farmers is greater than the technical assistance that we have available.

I think this committee should know something about the reaction and the need and the good that the agricultural conservation program has done to the soil conservation movement, and especially in our district.

Mr. Fuqua, do you have the summary that you could hand out to the group, here?

Our national association conducted a survey among our various districts in the United States—all of the districts—and we got a return by the time we had to appear before this committee of about 70 percent.

And each of these—and I would like to present, if I may, something of the type of a—would you like to look at some of these individual ones we handed out—type of survey that we have.

We asked in their various questions about what our program was doing and what the needs were.

We found out that the percentage of the technician's time spent on the agricultural conservation programs went from a low in Connecticut of 12 percent to a high in New Jersey of 41.3 percent of their total time, with a national average—you will catch that on page 9—a national average of 25.1 percent of the technician's time was spent on agriculture at conservation work.

Now that is indicative of an interest in conservation, and I should say it has been an impetus for our program in the districts.

But the memorandum of understanding with the Soil Conservation Service says that primarily the service shall be through the cooperators—and I think you can understand that if you are to take a fourth of your time in agricultural conservation programs that necessarily some of these cooperators are going to suffer from lack of assistance.

However, the whole program is beneficial.

Recently, the Congress passed through the Farmers' Home Administration, the law whereby you could loan $25,000 maximum to a farmer to carry out a complete conservation and irrigation program, if it was necessary, on the farm.

I would like to cite you an instance of the interest that has been created in my home State.

In Mary County recently we had a meeting along this line, and we had 1,000 farmers at that one meeting.

Now that is something unheard of that we would have that kind of interest. A thousand farmers. It is nothing at all to get two or three hundred farmers to those meetings to discuss the conservation program, and how all of these things can fit into it.

Now appreciate the technician who is already overburdened with work, and here are a thousand farmers coming in who want to carry on some kind of irrigation program and they know he is the guy who is going to have to furnish the technical assistance.

He is kind of scared.

Then your income-tax deduction thing has helped.

We have a dealer-district program in the association where the implement dealers of the United States put a conservation plan on every farm.

I was meeting with the Midwest Implement Dealers Association the other day, and one of the very fine dealers said that in his home county they hesitated to continue the emphasis on the dealer-district program because the technician was already overburdened.

Well, gentlemen, it seems to me that that is a shame that we can't get the Congress of the United States to recognize that here is a program with a tremendous interest and of benefit to the whole country, appropriationwise.

I called home last night to determine how we were doing in Nebraska.

A gentleman answered the phone in the little town of Holdrige and said the dust was blowing out there, and they closed the schools in the western part of Nebraska and refused to let the buses take the children home.

Today we pick up the paper here in Washington—you gentlemen have probably seen that.

Well those resources blowing away are not the farmers' resources, they are not Nebraska's resources; they are America's resources.

They are America's resources.

I fail to see why we can't get the right kind of appropriation to take care of that kind of a situation.

If any of the members of the committee have any questions along those lines I would be very happy to attempt to answer them.

Mr. WHITTEN. We appreciate your statement, Mr. Richards, and we will welcome your testimony in the record.

I do not mean to completely rehash what I said earlier, but it means so much if the budget approves these programs to start with because then we can go to the floor with budget approval.

Any time we go to the floor increasing the President's budget, at a time when we are already running a deficit in the overall national budget, it is about 10 times as much of a problem in passing the item.

I do not know what you can do, but I just wanted to point out that in view of your statement that it is a shame that the Congress does not do something, I would agree with that, but I would say the Congress is not the one primarily responsible. Whether the executive department includes it in the budget is a prime factor in how the Congress acts.

I hope you will renew your efforts at the White House and budget level to get a proper recognition of the soil-conservation problems of the Nation.

Mr. RICHARDS. Mr. Chairman, we are not giving up on the proposition that we can get included in the budget the proper kind of a figure.

I think one of our great problems is that people do not understand about our program and what we are trying to do, and with understanding ofttimes comes cooperation.

Mr. WHITTEN. That is right, and I do not mean to compare one administration to the other.

In the preceding administration, we were convinced of the needs for expansion of this program. It takes a while for the people in the executive department to realize the many aspects of it. I think perhaps that is a big part of it.

Mr. RICHARDS. I sometimes think there are people who look upon our district as being primarily for the Soil Conservation Service.

The Soil Conservation Service is only one of the many tools of a soil-conservation system.

The ACP is a tool of the district. Your Extension Service and your FHA program and these others programs, as we would like to speak of them, to carry on the program of the local conservation district.

They all have to have the proper kind of appropriation if we are to effectively do the job.

Mr. WHITTEN. You may proceed, Mr. Richards.

Mr. RICHARDS. We would like to comment on the watershed subject theory for a short time, Mr. Chairman.

We found it a case where there is a small watershed, and our 11 watersheds are in the programs and the public is accepting them at a great degree of speed.

We feel that in the very near future under present conditions, with the public dealing as it does with regard to this watershed being such a fine program that if we do not get proper State organization and enough money to construct some of these small watersheds and finish up our 11 original pilot watersheds, that we are going to have a repercussion in public opinion as to whether we will ever get it done just like you said.

Probably 100 to 125 years. And with the spirit of the people gone, to do those things it is going to make it very hard for us to promote a program, after we fall down one time with it: We are very much interested in seeing, if it is at all possible, if we can continue this program at a decent rate rather than let it cause the public opinion to go reverse on us.

I know we have 1 entrance down on 1 of these 11 watersheds in the Washitau. We had four out of the tributaries completed for ready for contact.

We had to divide our money up among those 4 and take 1 structure on each of those watersheds.

It is really embarrassing to us, after we go work these watersheds up and these people want to know when they will have construction on these things and then find out we do not have enough money to take care of it.

We would like to ask for an additional $25 million to stimulate this program; it is a mere token, naturally, but it would add to the prestige of our program, I believe, if we could add $25 million to the present request of $11 million in the budget.

Also we have some programs that we are sympathetic with for more help.

That is the Bureau of Land Management, the Indian Service, and the Forest Service.

Mr. WHITTEN. The jurisdiction or those things have been assigned to another subcommittee.

We are very much interested in all works of this kind, but I think perhaps the statement should be directed to the other committee.

Mr. FUQUA. Mr. Heidrich will give you some information on the speedup of soil survey.

Mr. HEIDRICH. You gentlemen all know the importance we have put on this soil survey—all of our planning is based on surveys of the soil so point out what it is good for, what it is not good for, and what treatment it requires.

That survey works too slow. When there is a few dollars put over it is put on the soil survey.

We would like to get that done. It won't take too much, but the soil survey at present is lagging and we would recommend that you think very seriously of giving the Soil Conservation Service, the Department of Agriculture, more money for this soil survey.

That is all I want to say today about it.

Now regarding the total figures for SDC, I want to again remind you of the top figures on this sheet we gave you.

Every year we are getting a couple of million dollars less money.

Every year we have more districts.

Every year farmers signed up with the districts and require help.

Gentlemen, it is not too late yet but it is getting more difficult every day to do this job.

Every year that passes makes it more expensive to do the job. We are wasting the Nation's resources at a point I do not think we can afford.

It is all right to mention the budget and our inability to change it—I do not know how we can do it but I am very, very sure the country is becoming more aware of this problem that we are trying to lick and by golly, we have to do something about it.

Mr. WHITTEN. We read to the Department the recommendation of the President's Advisory Commission, which advised that this work be turned over to what amounted to the extension type of program.

The Department said the Advisory Committee had not yet been brought to their attention.

I wonder, however, if the Bureau of the Budget is not trying indirectly to shift this work over to the Extension Service by constantly raising their funds and constantly cutting these down, even though the districts have increased and your problems have become more widespread.

Department officials said that was not their purpose and gave us assurances that they believe in your work, too.

I just wanted to say that we are not just raising this with you, but we raised it with the Secretary and with the assistant secretaries, as to whether indirectly they were not trying to do what the President's Advisory Committee apparently is recommending.

Mr. HEIDRICH. I have read your report on the testimony and the comment to the Secretary of Agriculture.

They I maintain have been officially aware of what was in that Committee report. The Secretary of Agriculture has a representative on that commission, so if he does not know what went on, it is some fault over there and not here.

His own man was on that Committee.

Mr. WHITTEN. If there are no further questions we thank you again for your fine presentation. We have some of the same problems here that you have on your side of the table.

Mr. FUQUA. We have also had a wonderful reception from this committee and we appreciate it.

Mr. ANDERSEN. Thank you, gentlemen, for your appearance here today.

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FRIDAY, MARCH 11, 1955.

## PACKERS AND STOCKYARDS ACT

### WITNESS

### HON. CARL ALBERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. MARSHALL. The committee will be in order.

We are very pleased to have our colleague, the distinguished majority whip of the House before this commitee.

Do you have a matter you wish to take up with this committee? If so, proceed.

Mr. ANDERSEN. Before Mr. Albert commences, I want to say this, that I have always had the very highest respect for Mr. Albert's work in the Congress. I feel that he is wholeheartedly along the right path where agriculture is concerned, and I am glad to see you before us, Mr. Albert.

Mr. ALBERT. Thank you. I have a high regard for the members of this committee, and this subcommittee, particularly, which is second to none among any Members of Congress or any others that I know of. You do a job indispensable to the economy of our country and to American agriculture, and I am proud of the record your committee has made.

Gentlemen, I hesitate to come in here this afternoon with a problem which is rather limited in its scope, but I have a problem which I understand your chairman has already gone into to some extent.

I represent the Third District of Oklahoma, which is in southeastern Oklahoma. On the south we border on Texas. Several counties of my district are on the Red River, which separates our two States.

It has been called to my attention by operators of sale barns or small commission houses in my district, that a very discriminatory situation exists as between sale barns in southern Oklahoma, and commission houses or sale barns in northern Texas. Specifically, I have had letters from operators of commission houses in Hugo, Okla., which is 20 miles from Paris, Tex. I have also had letters from Antlers, Atoka, and Durant. There are competing sales barns on the Texas side of the Red River.

Under the packers and stockyards appropriations bill a few years ago the Department began the program of posting and bringing under regulation, these various commission houses. About the time they had finished up from Nebraska down to southern Oklahoma, a provision was written into the Agricultural Appropriations Act in the Senate, barring the further posting of stockyards and commission houses in the State of Texas. Now, I want this understood: I am not here criticizing the State of Texas, or advocating that you do anything about the situation in the State of Texas. But, now, the operator of the barn at Hugo, Okla., is subject to the jurisdiction of the Packers and Stockyards Act. The man in the identical business just across Red River is not subject to the act and consequently has a competitive advantage.

One of the advantages over and above the extra expense involved in this thing is that the operators of the yards in Texas can bid on cattle. The operators of the yards in Oklahoma, under the regulations prescribed by the Department of Agriculture, can't make a bid on cattle, sold in his yard. His auctioneer can't make a bid.

I have a letter from one of the leading cattlemen of the Hugo area, Hank Wyatt, a personal friend of mine and a Hereford grower who tells me that he has seen cattle prices firmed up by the fact that the local operator could bid. And, mind you, the farmer doesn't have to accept any bids in these yards if he doesn't want to accept them.

Mr. HORAN. Could I ask you a question there, Mr. Albert?

Mr. ALBERT. Yes.

Mr. HORAN. Do I understand there is a Federal regulation that applies here?

Mr. ALBERT. Yes, sir. I have copies of the regulation, here, under the packers and Stockyards Act.

Mr. HORAN. Do you know how Texas operators are able to avoid that?

Mr. ALBERT. I have taken this matter up with the Department of Agriculture and have quite a bit of correspondence on the subject. I have called departmental officials; I have talked to those who are administering this act. I have some very long letters, here. Here is one 3 pages long. It offers no solution or help on this problem. It just tells me what a fine thing it is to have these stockyards regulated. I answered, "Yes; but I'm dealing with a practical situation. I am dealing with 2 competitors, 1 of whom lives in my district and the other doesn't, both American citizens operating under American law, one whose hands are tied by your regulations and the other who is free to operate as he always did before the Packers and Stockyards Act was ever enforced in that part of the country."

They offer no solution to the problem, other than to say, "Well, it ought to be applied everywhere," and I say "Well, go ahead and apply it," and they answer, "Well, we can't."

I have here a letter from the Deputy Administrator of the Agricultural Marketing Service, from which I quote:

> In carrying out a 3-year program to which Congress gave its approval by appropriating in the fiscal year 1950 the necessary funds for completion of the first year of that program, all eligible markets in the States of Idaho, Montana, South Dakota, Wyoming, Kansas, Oklahoma, and Nebraska were posted under the act. The program provided that the posting of all remaining eligible yards would be completed during the succeeding 2 fiscal years. However, shortly after we started surveying the remaining nonposted livestock auctions in Texas for the

purpose of ascertaining those eligible for posting, we encountered vigorous opposition to the proposed action from a small group of auction market operators from the southern part of the State. Representatives of this group came to Washington and forcefully registered with the Department, and, we understand, with Members of Congress, their opposition to the completion of the remaining eligible livestock market in the State of Texas. Subsequently, funds for the completion of the second year of the posting program were not provided in appropriation of the act for the fiscal year 1951 and in succeeding appropriations funds have not been made available to permit the completion of the posting program.

So you see they just stopped it. Incidentally, for your record, that is a letter dated December 6, 1954, to me.

Mr. MARSHALL. Thank you for bringing this matter to our attention. Your interest and understanding of the problems before us are another indication of why you are the majority whip of the House today. Thank you again for your helpful statement.

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FRIDAY, MARCH 11, 1955.

## FARMERS' HOME ADMINISTRATION

### WITNESSES

**C. H. OLSON, ASSISTANT DIRECTOR OF THE LEGISLATIVE PROGRAM, AMERICAN LEGION**

**JOHN S. MEARS, ADMINISTRATIVE ASSISTANT, NATIONAL ECONOMIC COMMISSION, THE AMERICAN LEGION**

Mr. MARSHALL. Now we shall be glad to hear from Mr. Olson and Mr. Mears, of the American Legion.

Mr. OLSON. Mr. Mears has a prepared statement which he would like to read.

Mr. MARSHALL. You may proceed.

Mr. MEARS. Mr. Chairman and members of the subcommittee, we sincerely appreciate this opportunity to appear before you today to express the views of the American Legion with reference to the Farmers' Home Administration and its budget for the fiscal year 1956.

As you know, the American Legion is vitally interested in the welfare of this Nation's veterans. Traditionally, we have supported those programs which were designed to assist veterans in readjusting themselves in the transition from military to civilian life. The American Legion has been firmly convinced that the diversified assistance programs administered by the Farmers' Home Administration have occupied a keystone position in the aid rendered to veterans returning to the farm.

The primary object of the Farmers' Home Administration is to help, financially, the young farmer, individually, who finds himself in a position in which he cannot get assistance elsewhere. We need not tell you that the Farmers' Home Administration has been extremely successful in achieving this purpose. Many, many young veterans and nonveterans have been able to acquire for themselves and their families a self-sustaining farm unit through the assistance rendered by this agency. The contribution to this country made by the Farmers' Home Administration, however, is not confined to a mere dollar and cents assistance to farmers, but transcends this area into the field

of conservation; a field which the American Legion believes is of vital importance to the welfare of our country. Since the beginning of history, land has always been the most precious and unique tangible property which man can possess. The end product of the Farmers' Home Administration's programs, therefore, is the reclamation and conservation of land, and the improvement of our water supply, which is so vitally necessary to the efficient use of this most important asset. We realize that the reclamation of land is not the major object of the Farmers' Home Administration, but it is an inescapable fact that its operations are closely interwoven with this project.

Because of the assistance it renders to veteran farmers directly and, equally important, because its operations contribute significantly to the conservation of our natural resources as the result of its efforts, the American Legion once again sincerely urges that this subcommittee recommend that sufficient funds be allocated to the Farmers' Home Administration for its operation and administration during the fiscal year 1956.

Pursuing the fiscal aspect further, we would like to emphasize one point connected with this rather hard, cold, dollar-and-cents problem with which we are constantly confronted.

First of all, we sincerely believe that no one will question the premise that the purpose and results of the operations of the Farmers' Home Administration are quite praiseworthy. Nevertheless, we realize that even in the face of this, we must place the amount of funds allocated to this particular agency in proper perspective to the whole budgetary problem. In doing this, we believe it must be kept in mind that the financial assistance rendered by this agency is not an outright grant, but rather money loaned to individuals from a revolving fund. We might say, also, that it is our understanding that the incidence of repayment to the Treasury by borrowers is exceptionally high. In view of this, we sincerely urge that you place proper emphasis upon this factor in determining its proper relation to the budgetary picture so that it will not be thought of in the usual sense—as an expenditure. We believe it more closely resembles an investment.

In closing, we would like to express to you our satisfaction with the nonpartisan manner with which the Farmers' Home Administration has been administered. We sincerely believe that its programs are of the type that should receive nonpartisan administration, especially at the county committee level, where it is so vitally important that the committee members be experienced farmers, motivated by a sincere desire to help young applicants, if the past high standard of the program is to be maintained.

We realize that time is limited, so this statement has been very brief. We are confident you will give this problem every consideration, and for this courtesy we extend to you our thanks.

Mr. OLSON. Just before coming up we noticed there had been a reduction of $6 million of one of the items in the Farmers' Home Administration. We also noted that that was based on estimates of the applications that might come in 1956. It seems a little significant that in 1954 there were 1,523 people participating, I believe. Whether they were applicants or participants, I am not sure, but we assumed they were participants. In 1955 there were 1,600. In 1956 they estimate that figure will be 1,000. We are a little disturbed about that

We have nothing in our files to indicate that the need for such help will be less in 1956 than it has been in the past.

We are grateful that the Bureau of the Budget has tentatively agreed, at least, that the other funds should be at least as much as they were last year.

Now, with those remarks, gentlemen, I would like to give Mr. Mears an opportunity to say whatever else he has to say.

Mr. MARSHALL. With the change that has been made in their legal authority, they have an insured-mortgage type of loan for real estate. The funds under that program are almost unlimited, which more than replaces the funds that they had for real estate loans.

Mr. OLSON. I am glad to hear that. We thought, as we came before you today, that that fund was limited to approximately $100 million insured loans.

Mr. MARSHALL. Did you wish to make a statement at this point?

Mr. MEARS. I don't believe I have anything further to add. We were wondering about that $6 million reduction because we were told—there was an additional increase for the insured loans, but we were under the impression that it had always been approximately $100 million a year authority. At least it was last year.

Mr. OLSON. We will see that the committee and the American Legion and people who are interested and who come from the farm country are given the benefit of the ideas you gentlemen have.

Mr. ANDERSEN. We would be delighted to meet with them at any time and discuss the question with them.

Mr. OLSON. We hope that we can see that they will do that.

Mr. MARSHALL. We are very appreciative of having you here.

Mr. OLSON. Thank you.

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FRIDAY, MARCH 11, 1955.

## GRAIN SANITATION PROGRAM

### WITNESSES

**WILLIAM F. BROOKS, EXECUTIVE SECRETARY OF THE NATIONAL GRAIN TRADE COUNCIL**

**RAY B. BOWDEN, EXECUTIVE VICE PRESIDENT OF THE GRAIN & FEED DEALERS' ASSOCIATION**

**HERMAN FAKLER, VICE PRESIDENT OF THE MILLERS' NATIONAL FEDERATION**

**ROY F. HENDRICKSON, EXECUTIVE SECRETARY OF THE NATIONAL FEDERATION OF GRAIN COOPERATIVES**

Mr. MARSHALL. We are pleased to have before us representatives of the National Grain Trade Council.

Mr. Brooks, do you have a statement you wish to make?

Mr. BROOKS. Yes; I do.

This statement is submitted by the National Grain Trade Council. May this list of the council members appear in the record?

Mr. MARSHALL. Yes. It will appear at this point.

(The information referred to follows:)

MEMBERSHIP LIST OF NATIONAL GRAIN TRADE COUNCIL

American Feed Manufacturers Association, Inc., Chicago, Ill.
American Seed Trade Association, Chicago, Ill.
Barley & Malt Institute, Chicago, Ill.
Federation of Cash Grain Commission Merchants' Associations, Minneapolis, Minn.
Grain & Feed Dealers' National Association, St. Louis, Mo.
North American Export Grain Association, Inc., New York, N. Y.
Terminal Elevator Grain Merchants' Association, Kansas City, Mo.
Buffalo Corn Exchange, New York
Chicago Board of Trade, Illinois
Cincinnati Board of Trade, Ohio
Denver Grain Exchange Association, Colorado
Des Moines Grain Exchange, Iowa
Duluth Board of Trade, Minnesota
Enid Board of Trade, Oklahoma
Fort Worth Grain & Cotton Exchange, Texas
Indianapolis Board of Trade, Indiana
Los Angeles Grain Exchange, California
Memphis Board of Trade, Tennessee
Merchants' Exchange of St. Louis, Missouri
Milwaukee Grain Exchange, Wisconsin
Minneapolis Grain Exchange, Minnesota
New York Produce Exchange, New York
Omaha Grain Exchange, Nebraska
Peoria Board of Trade, Illinois
Philadelphia, Commercial Exchange of, Pennsylvania
Portland Grain Exchange, Oregon
Saint Joseph Grain Exchange, Missouri
Salina Board of Trade, Kansas
San Francisco Grain Exchange, California
Seattle Grain Exchange, Washington
Sioux City Grain Exchange, Iowa
Toledo Board of Trade, Ohio

Mr. BROOKS. My name is William F. Brooks. I am the executive secretary of the National Grain Trade Council. Our offices are in the Folger Building, Washington, D. C.

With me today are Ray B. Bowden, executive vice president of the Grain & Feed Dealers' National Association; Herman Fakler, vice president of the Millers' National Federation; and Roy F. Hendrickson, executive secretary of the National Federation of Grain Cooperatives. For their organizations, these gentlemen subscribe to the recommendations we are submitting to this committee.

For fiscal 1956, the Extension Service has requested an appropriation of $45,475,000 for distribution to the several States, Territories, and possessions. This amount, we understand, is $5,800,000 more than was appropriated for distribution by the Federal Government in fiscal 1955. We hope that in this appropriation for fiscal 1956 there will be an adequate amount for agricultural marketing end of this, an adequate share allocated for use in an intensified educational program among producers on grain sanitation at the State and regional levels.

We recommend, therefore, that adequate funds be appropriated and earmarked for this purpose.

Organized grain groups joined with milling groups in 1950 in launching or furthering educational programs to control and eliminate infestation of wheat by insects, rodents, and birds. These campaigns were directed toward wheat producers, handler, and processors. They were geared to the local, State, or regional level. All sought

to promote improvement in the harvesting, storage, transportation, handling and processing of grain, particularly wheat.

At the local, State, or regional levels, the land-grant colleges, 4–H Clubs, extension workers, and Future Farmers of America groups participated in varying degree in these programs. In varying degree also, the organized farm groups have participated in these programs.

In this connection, we acknowledge the assistance of the Stored Product Insect Investigation Division of the Department of Agriculture, the Fish and Wildlife Service of the Department of the Interior, and the Federal Food and Drug Administration, in supplying useful techniques, educational materials, and personnel, where available.

In some States and areas these programs started from scratch. In others, older programs were extended to include educational activity on grain sanitation. In still other States new emphasis was given to grain sanitation problems and their solution.

In Kansas, for instance, the Kansas Wheat Improvement Association gave added emphasis, in an already operating program, to grain sanitation. In Ohio, an educational program, under the direction of the Ohio State Extension Service and entitled "Marketing Grain," was redesignated "Marketing Quality Grain." In this educational activity information on grain sanitation was introduced. In other States, in connection with crop improvement groups or independently, educational programs on grain sanitation were started.

All these programs continue and have made, in our opinion, commendable progress.

The Grain & Feed Dealers' National Association projected and carried out a nationwide educational program on grain sanitation. In this program 53 State and regional associations, affiliated with the national association, participated.

The regional grain marketing coperative groups associated with the National Federation of Grain Cooperatives participated in local or regional educational campaigns, as did all the organized grain exchanges which are members of the National Grain Trade Council.

The Millers' National Federation participated in national educational efforts and milling companies, members of the federation, were active contributors to educational programs at State and regional levels.

In 1953 the Grain Sanitation Policy Committee of the Millers' National Federation, recommended that the United States Department of Agriculture, through its appropriate agencies, should head up a program of educational work, particularly among wheat producers, on effective means of wheat in order that trade-sponsored educational programs might be coordinated and accelerated.

By this time, 1953, it was obvious that uncoordinated programs, lacking affirmative help and guidance from the Federal Extension Service, were not obtaining the desired results. And this, in spite of the fact that all segments of the grain and milling trades were expanding and directing their educational efforts toward producers and within individual companies and trade groups.

In our opinion, what is needed now that wheat producers, particularly, may be aware of the benefits of good sanitation practices, is intensified educational efforts with farmers within States under the direction of the Federal Extension Service. Our experience in this whole grain sanitation program has been that it cannot be successful

unless and until the most effective cooperation is obtained at the farm level. It is this conviction from our experience that prompts us to appear before you today with this request.

Early in 1953, the Secretaries of Agriculture, and of Health, Education, and Welfare had announced that an Advisory Committee on Grain Sanitation would be named. This committee was to serve until June, 1954. Its mission was to recommend to the Secretaries a—

> program to improve the sanitary quality, or cleanliness, of wheat, including educational and enforcement aspects, and to reduce economic losses through rodent and insect depredations.

This committee unanimously recommended in 1954, that the Federal Extension Service coordinate and develop an intensified educational program. This program was apparently regarded as a step in establishing and maintaining a more effective and economic system of marketing and distributing grain, particularly wheat. The recommendation obviously contemplated, inter alia, the use of Federal funds within States for the employment of county agents to help solve economic problems by introducing methods for controlling insects, rodents, and disease, and for improving storage facilities and methods in harvesting, handling and transporting wheat.

In accordance with this unanimous recommendation, the Secretary of Agriculture has appointed Clyde C. Noyes of Nebraska, to assist the State extension services in an intensified educational program among farmers on grain sanitation. While performing this task, Mr. Noyes will be on leave of absence from his position as Nebraska State leader of extension programs.

We understand that while employed by the Federal Extension Service, funds appropriated for the Federal Office of the Extension Service will be used to pay Mr. Noyes' travel and per diem expenses, as well as to pay nearly all of his salary. We understand also that it is the intention of the Federal Extension Service to absorb this cost and not request, for fiscal 1956, an increase in the budget item of "Salary and expenses for the Federal office."

We believe that there is need to coordinate and intensify the educational program on grain sanitation. We subscribe to the recommendation of the grain sanitation committee that this coordination and intensification can best be performed through the Federal Extension Service. We are pleased that the Secretary of Agriculture has named Mr. Noyes to accomplish this task. We know that he was closely associated with the well-rounded grain sanitation program developed in Nebraska.

There the extension service of the College of Agriculture at the University of Nebraska; the Nebraska Grain Improvement Association; the Nebraska Grain and Feed Dealers' Association; the Lincoln Grain Exchange; the Omaha Grain Exchange; the Nebraska Farm Bureau Federation; Farmers' Educational and Cooperative Union of Nebraska; the Agricultural Stabilization and Survey Committee and the United States Fish and Wildlife Service, joined to form the Nebraska Grain Sanitation Council. This council, composed as it is of all interested groups and Government agencies, has sponsored a broad and effective educational campaign.

We understand that Mr. Noyes has already received requests to develop or improve educational programs in a number of States. We know that one limiting factor in the development of these programs

may well be the lack of adequate Federal funds to solve a problem which is of national public interest, and which, if unsolved, may well result in a large financial loss to the Government.

In our position we are unable to estimate the amount of Federal funds which may be needed to aid in solving the problem. It may be that provision for such added expense as will be incurred, has already been made in the appropriation requested for the Extension Service. In any event, we strongly recommend that this appropriation be adequate to cover the need for developing an adequate coordinated and intensified educational program. We recommend also, that this committee, and the Congress, indicate that sufficient funds be allocated for this purpose.

Gentlemen, we are here to suggest as strongly as we can that in the appropriation for the Extension Service, the committee and the Congress take advantage of a recommendation made by a sanitation committee appointed by the Secretary of Agriculture, and the Department of Health, Education, and Welfare, so that somehow there can be an intensified program of sanitation, with wheat producers, particularly.

The foregoing statement reviews some of the activities in some of the places. This is something that trade groups have been carrying on for 4 or 5 years, and the one real loose end, here, is the question of getting producers interested in good housekeeping practices of farm storage and good practices as far as handling wheat at the farm level is concerned.

Mr. MARSHALL. It certainly is an important subject and we know that farmers of this country want to do everything that they can to produce and put on the market a clean, wholesome product. We think any encouragement given along that line will be valuable.

Are there any questions?

Mr. ANDERSEN. I have no questions, Mr. Chairman, but I would like to say that I appreciate these gentlemen coming before us to discuss this very important problem. Thank you for sharing your views with us today.

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FRIDAY, MARCH 11, 1955.

## TEXAS SOIL CONSERVATION DISTRICTS

### WITNESSES

**HON. SAM RAYBURN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**
**HON. JIM WRIGHT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**
**PAUL HARDIN, SECRETARY, TEXAS ASSOCIATION OF WATERSHED GROUPS**
**BOB LASSETER, WEATHERFORD, TEX.**
**DICK WINTERS, BRADY, TEX.**
**JOE OGDEN, BRADY, TEX.**
**DAVE JUDSON, PRESIDENT, CLEAR FORK, WATERSHED ASSOCIATION, WEATHERFORD, TEX.**

Mr. MARSHALL. It now is our privilege to hear from our distinguished Speaker, Mr. Rayburn. Proceed as you wish.

Mr. RAYBURN. In every one of these watersheds that I know anything about, they have done a wonderful job in conservation of water and land.

As you have heard me say so many times, I think the major domestic problem isn't taxes; it isn't this, that, or the other. It is what we are going to do with this dirt. Are we going to keep it, are we willing to let it wash and blow away?

These gentlemen have been engaged in that kind of work and I think these projects will pay off many, many times over in the future.

I appreciate your allowing us to come in here again. I have to go, but I do appreciate your listening to these gentlemen.

Mr. ANDERSEN. I have called to the attention of this subcommittee this year that in my opinion the Congress is too niggardly in making ample appropriations for what we term this watershed protection work, in all phases. It is very important and we certainly appreciate your again bringing this group before us, Mr. Speaker.

Mr. RAYBURN. I couldn't agree with you more than I do on that statement.

Mr. MARSHALL. We would like to say that the American farmer has never had a better friend than the distinguished Speaker of the House of Representatives, and on all occasions he has done everything possible to encourage soil conservation in every form in this country, as well as to attempt to obtain an adequate income for the farmers of this country.

Mr. NATCHER. Mr. Chairman, I certainly want to join with you in that statement. Mr. Speaker, we certainly appreciate your coming before our committee, at this time.

Mr. ANDERSEN. I may say, Mr. Chairman, that I have been remarkably close to the position taken by the Speaker through the years, relative to anything having to do with agriculture, so I can't disagree with your statement relative to him.

Mr. RAYBURN. You have been one of the best friends of agriculture of anyone around here, Mr. Andersen, as well as your associates.

Mr. MARSHALL. We are pleased to have before us again Congressman Wright, and Mr. Hardin. Mr. Hardin, you will introduce the members of your group who want to speak regarding the Trinity watershed. We will be glad to hear from you.

Mr. HARDIN. First, I would like to introduce to you our group. This is Mr. Davis Hudson from Weatherford and Mr. Bob Lasseter from Weatherford and I believe you know the Congressman, and Mr. Dick Winters from Brady and Mr. Joe Ogden from Brady who has been before you before.

Mr. WRIGHT. Mr. Chairman, I just wanted to point out to you, not all of these gentlemen represent Trinity watershed. We have a report here from the Texas Association of Watersheds, showing where money has been spent on all the watersheds in Texas, following which there is a more specific report at the very local level, from the Clear Fork Watershed Association which is part of the Trinity watershed. I thought that might give the members of your committee at least the benefit of a clear and comprehensive picture of how this work has been carried on.

Mr. MARSHALL. We appreciate your comments.

Mr. HARDIN. Mr. Chairman, we have been here many times before and also have received very cordial reception. We felt this year we

want to come back to you and report to you on how the money has been spent which you have been so kind in helping to provide us with.

This is the first year we have come, all Texas as a unit. We call ourselves now the Texas Association of Watershed Groups. We used to come up as the East Fork of the Trinity, or the Trinity or the Clear Fork or the Elm Fork. They all have had common problems and in order for us to accept our obligation equally as it should be, we have formed an organization down there for educational purposes, in order that we might all discuss our same problems. The same that they have, the same that we have.

Now we have had this addition to our problem in recent years. I was telling the experience this morning. We feel like we have oversold ourselves. We used to in the Trinity, we are the only area carrying on this conservation program. We like it so well many people came into it and saw the benefits of it. They went into their authorized watersheds and started a program of their own. That was followed then by the Congress putting into effect the pilot watershed. The old pilot project.

Mr. ANDERSEN. Known as the Andersen-Hope program; yes.

Mr. HARDIN. It has done a marvelous job within the compass; it began spreading out information. Then we came back last year with Public Law 566 which, again, has taken in a new group of people.

Now those people all keep coming through the older watersheds to see the program we have just taken them all in. We all have a little different problem but yet we all have a very common problem.

Now in Texas we have, as you might look at these little reports, we have two of the original 11 watersheds. That is the middle Colorado and upper Trinity. Then under the pilot watershed program, Texas got 4, and under this 566—and this is a good deal more than that, I understand, now, but about the first of the year we had 56 groups who were attempting to qualify under Public Law 566.

Now as we understand it, there are different appropriations for each one of those groups. They have all come along fine. If there was any complaint to make I would say it would be we people who were in the two watersheds of the original level. Of course we are in a minority area, certainly, but those groups, the other groups, may have a little more fire than we had at one time but they are progressing nicely and we are very happy about that.

Mr. NATCHER. The 56 applying are under Public Law 566 of the 83d Congress; how many of those have been approved?

Mr. HARDIN. I believe 10.

We had a little meeting in Waco where we thought we would have 30 or 40 people interested in the 566 program and we had about 120 groups who showed up there. People were just there to learn something about it.

Mr. ANDERSEN. As you have well stated, there is no difference between problems facing, for example, the 11 authorized watersheds, the pilot plant program and then the new program which came into being as a result of the Andersen-Hope pilot plant program. It is all the same basic problem. I am hoping someday, gentlemen, that we will consider it as one appropriation in the annual bill before us. I think it would make for a stronger program all around. It does have great appeal to the entire Congress.

Mr. HARDIN. That is in line with what we have found in Texas. Although we have the different—three different categories, we are all just alike and we all have the same problems and we try to get together and figure out ways to get the assessments and get the conservation program underway.

I would like to say very briefly that the only thing we would like to see is enough funds provided, if possible in some way, in order to keep each one of these programs alive.

Now we come back to the situation very briefly in Trinity, where a year or two ago funds were so small that we only got 3 structures in an area of 840,000 acres, in our 1 watershed, in there. The same thing in these other boys' watershed. They were faced with same situation.

This past year, counting those carryover funds, in addition to the appropriation, we had enough in all of the watersheds that were qualified, we got some 8 or 10, nearly, in each 1 of the watersheds.

Well that can be spread around over the watershed enough until it keeps everybody within hopes in a year or two of getting a structure in their area.

We have this situation. When the assessment gets to be 3 or 4 years old, the natural causes of death, inheritance of land, those other things get into a watershed, a hydrological unit, where one assessment in one like—that man decided he doesn't want to go any more. Then in turn that prevents that lake from being built and that lake can prevent construction on the entire hydrological unit. So when assessment gets too old, that is the situation we get into. So we are hopeful that a program can be set up whereby each one of these watersheds of that size, we could get some 6, 8, or 10 projects a year going in each one of these watersheds. Now that is straight across the board, in your authorized watersheds, your pilot watersheds, and those that would qualify under Public Law 566.

On the basis of that we have come back again and asked your very earnest consideration of putting back into it what we understand is the proposed budget—and we have listed what we understand to be the elimination that they have made, or the decreases that they—someone has made—decreases in soil conservation funds of $1,872,000; 11 originally authorized watersheds of $1,879,000. The pilot projects of $142,718. This was an increase in Public Law 566 funds of $3,250,000, for which we certainly see the need because those are new areas and they are being qualified everyday. So they need increasing funds because that is spread all over the United States and we understand that.

Now in the Trinity we could use a great deal more than that. We have sites cleared for a great deal more funds than that but we don't want to be unrealistic, we don't want to ask for something that we think perhaps is not right to ask for. We have given you here on the third page a list of the structures since the program has started: 58 floodwater-retarding structures have been made at $1,896,917.65, and so on down that list. You will see how that money has been spent on flood prevention work, in the upper Trinity. This was 1 of the originally authorized 11 watersheds. On the next page you will see that a total of 89 sites are cleared which would cost about $3,411,000, if money were available.

That is just one that is ready that could be built if funds were available. Certainly we know we are not going to get that in one water-

shed. We want some of the money to go to the other watershed, whatever the amount is. We wanted to report to you today that we have entered into this program in good faith from the local standpoint and are trying to stay away ahead so it can never be said that the people who are sharing this benefit are not willing to do their share in the program.

Now I just stuck in, as an aftermath, a report which happens to be my district, the Collin County Soil Conservation District, showing what they are doing in the soil conservation district. It shows the time involved in the treatment on the land, and what the local business and civic groups are doing. These other gentlemen have a very similar statement on that.

We have just for your information attached a map to the back. There is no map available of Texas showing the program that is taking place all over the State of Texas in the three categories of the

We have, just for your information, attached a map to the back. flood-prevention program. We wish there was one that would show you 2 of the 11, the pilot project in 566 requested or qualified areas, but there is not. By way of explanation, we are showing you here on the upper Trinity what the situation is there on the funds that have been made available.

The green is where structures are completed. The flood prevention program is complete in those areas. They have gotten all of the structures built that were planned, and the conservation program is on the land behind them. In the red areas, it is construction that is used. The colors on there show where the proposed locations are. We didn't show in there, because the map was so large, the ones that are being built, but that is the area, including the green, where those 58 structures have been completed.

Then we are planning—planning parties are working and districts are working in the yellow areas, and the below areas. The planning is completed in the yellow areas and in the other areas. The white areas we have not been able to get to because of personnel available.

Gentlemen, that is all the time I propose to take. I hope that you will have an opportunity to go through the whole report. We think the money has gone a long ways, in our area. We have tried to stretch it and recommend it in many cases. I know this is being done all over Texas, in whatever categories of watershed is being worked on. Many times the structures are not being built that would cost the most. Those being built—the big structures. We are trying to build, in many cases, the smaller ones in order to carry the education program forward. Of course, there are some cases where a larger structure has been built. By a larger structure, I would say in an average, in most cases, it would be 40 acres. Forty surface acres, so to speak, that would be in water.

Our average runs around 20 to 25 acres, I suspect. They are small structures. The average cost runs roughly, on the basis of construction so far, it has been around thirty or thirty-three thousand dollars per structure. Now we could have brought you some film made to show the results of keeping the floods off of some of this good bottom land, pictures or anything else, but we thought this time we would just like to come back and submit to you a little report on what has

been done with the hopes that your feelings would be like ours, that this program should be carried on.

Mr. MARSHALL. This committee has been very much interested in soil conservation, and particularly in watersheds. The chairman, Congressman Whitten from Mississippi, has long been a supporter of the watershed approach. He has been interested in these pilot plans, and he has been interested in these 11 watersheds. My colleague from Minnesota, Congressman Andersen, has been equally a stalwart of conservation. However, there is one thing about which this committee is extremely troubled. We are also of the opinion that this is very worthwhile work, and we can't understand why the Bureau of the Budget comes up with figures below what is necessary. It puts this committee under quite a severe handicap. In times past, as you know, we have gone above the Bureau of the Budget figures and have recommended an increased amount. We cannot see the economy of failing to put into effect, at this time, the structures where all the plans are made, and where we ought to be saving the national resources of the country—the soil. We just don't understand it. Maybe you folks can shed some light from your end as to why the Bureau of the Budget and the President have taken the attitude that they have on this conservation work that is so highly important.

Mr. HARDY. I would just like to make this one further observation: We have had a number of people from various commissions of some type or another. I know at least one group, as I understand from the gentleman who visited our area, he was representing the Bureau of Budget. He came down and looked at our structures. He looked at some that were built and proposed to be built. He came to see if they thought the cost was in line with what he had spent and as far as they remember we were able to get from those gentlemen they had no complaints to make about the program.

Mr. HUDSON. We represent the Clear Fork area. We were here last year with Mr. Hardin. We were just prepared to make a little survey of the work that we did this past year, since we were here last year.

Then on this map that you see here, the part that we have colored in green, there, represents the structures, or the watershed of the structures that are completed or that are unconstructed now, at this time. Then in the red part of the map, there, is the part of the lowlands which is flooded. Then in the blue, is Ben Brook Lake. The watershed even takes into the Ben Brook Lake.

As you see we have very little of our watershed even under construction at this time. We would appreciate getting this much done because we have it all up at the beginning of the watershed.

We knew we wouldn't have time to go into it too much but we did want to let you know about what we were doing in this watershed, here, and we have over here on the other side a letter of summary as to what the farmers are doing and what the soil conservation work is, there, and we would certainly appreciate it if you fellows would take that map along with you, after we are gone, and look it over. Whatever you can do for us, we certainly would appreciate it.

Mr. MARSHALL. We thank you for your statement and for appearing before us.

Mr. HUDSON. I thank you, sir.

Mr. WINTERS. We are heartily in accord with your statements, gentlemen. We are all in that watershed group.

Mr. HARDIN. I have been very happy to bring this group. We came last year as individual groups. We come back this year representing the middle Colorado, the Trinity, the Clear Fork, the East Fork, the pilot project, all of them together. To let you know that even though they are different categories, each one getting different appropriations, we are not fussing among ourselves in those categories for the funds that are available. We are all on the same side and we know from experience before you that you are doing all that you can, and we just want to keep our relations on that basis.

We want to prove to the people that the money you have recommended for us is being spent wisely, and we are getting the benefits out of it that the program was set up for.

Mr. MARSHALL. Whether you come singly or collectively we are always glad to see you. We are glad to listen to your problems and are glad to be apprized of what you are doing.

Mr. ANDERSEN. Mr. Chairman, I would just like to say this—I think I have said it before and perhaps the subcommittee gets tired of hearing me say it, but I never could see the sense or logic of having a program with the 11 authorized watersheds, unless we have in mind some definite date not too far distant in the future in which to complete the whole program. I think this thing of figuring to take 40 or 45 or 50 years to complete a program of this nature, gentlemen, is ridiculous. I have seen over in India the spending of $200 million of our taxpayers' money in 3 years time, giving them much more than we give our own people, and I have personally come to the conclusion that it is time for this subcommittee to get a little more liberal in dealing with flood prevention and watershed protection work, for the good of the entire Nation. I certainly do not think it is anything but the best kind of economy to do so and I am in full sympathy there with you gentlemen toward accomplishing what you are trying to do. I appreciate your coming up here, taking up your own time and at your own expense in the hopes of doing something worthwhile for your community.

Mr. HORAN. How is the Dust Bowl situation out there? Does that impinge on the upper reaches of the Trinity?

Mr. WINTER. We are nearer to the center of the State.

Mr. HORAN. The only way to have conservation is to have conservation. You can't do it with words. I am very much in favor of watershed protection and its allied operations. You will realize this subcommittee tried to give that some emphasis a few years ago when we provided some money for pilot operation. This is in a little different category, of course. This is a complete river system.

I wish the Bureau of the Budget would look at it that way.

Mr. HARDIN. Sir, may I make an answer to your question, there, talking about the Dust Bowl. Understand we do leave a number of watersheds in the West that are attempting to qualify and it certainly will be of benefit.

Mr. HORAN. We allowed several million dollars. I forget just the exact amount last year, for trying to tie down some of that last year, and I assume that this is underway. Perhaps it is too late. This particular operation that is going on out there now has hit Colorado the hardest, I understand.

Well that is deplorable and it is something that quite often we spend a lot of money after it has happened when we should have spent it before.

Mr. ANDERSEN. You are absolutely right, Mr. Horan.

Mr. HORAN. That is all, Mr. Chairman.

Mr. MARSHALL. We appreciate your coming before us and we will give this every possible consideration. Thank you again.

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FRIDAY, MARCH 11, 1955.

AGRICULTURAL RESEARCH SERVICE

WITNESS

GEORGE GODDARD, SECRETARY, NATIONAL DRIED BEAN COUNCIL

Mr. MARSHALL. The committee will be in order. We are very pleased to have with us George Goddard, of the National Dried Bean Council. Mr. Goddard, do you have a statement?

Mr. GODDARD. I have a short statement here, sir.

Mr. MARSHALL. You may proceed as you wish.

Mr. GODDARD. Gentlemen, I have a short statement. I would appreciate it if you would interrupt me at any time and I can cover any questions that you may raise.

My name is George Goddard and I am secretary of the National Dried Bean Council. The council is composed of five regional associations, representing growers, co-ops, dealers, shippers, and processors. As such it represents fully 90 percent of the industry. Dried beans are not one of the major agricultural commodities, but is a much more important crop than is generally recognized, ranking 13th or 14th in planted acres, and cash return to producers—in excess of $135 million annually. A really outstanding case could be made for dried beans; it is an every man's food, economical, yet one of the best and cheapest sources of protein, thiamin, and other essentials to a well-balanced diet. It is particularly adaptable as a cash crop to much of the new land that is and will be coming into production as a result of the reclamation programs in the Western States. There are certain disadvantages; namely, it is an industry composed of many small factors spread over 10 to 12 States with no large or dominant factor in any phase. This has been a real handicap in the raising of funds for promotional and research work. In recent years the Government has provided the machinery that permits groups such as dried beans producers and dealers to obtain assistance in these lines.

This appearance before your committee is in behalf of appropriations for research. We believe research on utilization of dried beans has been authorized and has been underway during the current fiscal year. We assume that provision has been made in the budget for the coming year.

I say "assume." I understand it is lumped under a heading of fruits and vegetables, but that is from that same item in which the research was financed this year. We have reviewed the report and discussed it with officials of the agricultural research services and we feel it can be expedited Our study of past and present expenditures leads us

to believe that $100,000 a year would be needed to get these reesarch projects rolling. The dried bean industry is completely sold on the value and the necessity of research to our industry. We have noted the results of work on the production side where we are now able through increased yields to get a greater production on smaller acreage. We are convinced that the emphasis in research on dried beans should be placed on utilization. The research advisory committee in January 1954 made the following recommendations:

1. New research should be set up and pursued vigorously with the object of developing palatable new bean products which can be readily prepared for serving without prolonged soaking or cooking.

2. Chemical constituents of dry beans and peas. Research should be initiated to obtain comprehensive chemical analysis of dry beans and peas in order to suggest new ways to improve their storage stability, and to discover any constituents which might have therapeutic, industrial, or other uses. These stuies should include the amino acids, fatty compounds, carbohydrates, vitamins, minerals, and such biologically active constituents as trypsin inhibitors.

The trend in recent years has been to make the job of the housewife easier. This is reflected in your appliance field and in the design and construction of our housing. In the food field her shopping has been simplified through supermarkets, and in products which have the built-in maid service requiring little time in preparation and in cooking. Unfortunately dried beans have been unable to keep pace with the trend. The result has been a decline in the per capita consumption of dried beans. This coming crop year will see probably a record acreage planted in dried beans, by reason of diversion from wheat, corn, and sugar beets plus new land coming into production in the Western States.

Last year the planted acreage would have given us a near-record production but unfavorable weather at harvesttime nearly eliminated the problem. The prospects are for an increase in planted acreage of from 5 to 10 percent in 1955 over 1954. As an industry we are facing a very grave problem with the harvest next fall. In process at the moment is work seeking to open up export markets, a promotional campaign to be used both domestically and abroad. However, the type of research, as recommended, is urgently needed and should be started as soon as possible. Inasmuch as dried beans will be under a support program, any contribution that can be made by research will result in tenfold savings to the Government and the taxpayers.

The appended tables should be of interest in supporting the picture of the industry and its problems as set forth in this statement.

Mr. MARSHALL. The table will be included in the record.

(The table referred to follows:)

*Dried beans statistics*

| Year | Production [1] | Exports [2] | Farm value [3] | Per capita consumption | Parity |
|---|---|---|---|---|---|
| | *Bags* | *Bags* | | *Pounds* | *Percent* |
| 1939–43 average | 16,830,000 | 1,887,000 | $76,468,000 | 9.2 | 91 |
| 1944–48 average | 15,352,000 | 1,881,000 | 133,097,000 | 7.5 | 123 |
| 1949 | 19,863,000 | 936,000 | 130,979,000 | 6.8 | 81 |
| 1950 | 15,128,000 | 2,559,000 | 112,604,000 | 8.5 | 85 |
| 1951 | 15,879,000 | 3,519,000 | 125,539,000 | 8.0 | 86 |
| 1952 | 15,594,000 | 3,283,000 | 135,074,000 | 8.4 | 101 |
| 1953 | 16,818,000 | 2,240,000 | 137,123,000 | 7.7 | 90 |
| 1954 | 17,003,000 | [4] | [5] 136,143,000 | 8.4 | 90 |

[1] Cleaned basis.
[2] Marketing year.
[3] Crop year.
[4] Exports for 4 months, September–November, 906,800 bags.
[5] Estimated.

*Dried bean price support statistics*

[All on fiscal year basis]

| | 1949 | 1950 | 1951 | 1952 |
|---|---|---|---|---|
| Total loans and purchase agreements....bags.. | 8,363,000 | 8,951,000 | 1,544,000 | 3,080,000 |
| Takeover by CCC.....do.... | 4,879,000 | 5,164,900 | 718,000 | 2,732,000 |
| Value of total loans and purchase agreements... | $65,939,000 | $63,046,000 | $10,513,000 | $22,822,000 |
| Value of takeover..... | $39,466,000 | $37,809,000 | $5,072,000 | $13,857,000 |
| Inventories at year end.....bags.. | 4,825,000 | 9,687,000 | 6,180,000 | 4,326,000 |
| Value of inventories at year end..... | $39,807,000 | $79,690,000 | $50,478,000 | $34,095,000 |

| | 1953 | 1954 | 1955 (estimated) |
|---|---|---|---|
| Total loans and purchase agreements.....bags.. | 2,277,000 | 4,152,000 | 3,900,000 |
| Takeover by CCC.....do.... | 524,000 | 1,597,000 | 1,600,000–2,500,000 |
| Value of total loans and purchase agreements..... | $18,895,000 | $34,621,000 | $35,000,000 |
| Value of takeover..... | $4,659,000 | $14,929,000 | $18,000,000–$20,000,000 |
| Inventories at year end.....bags.. | 1,367,000 | 1,539,000 | 1,500,000 |
| Value of inventories at year end..... | $11,999,000 | $14,183,000 | ----------- |

Mr. MARSHALL. We appreciate your appearing before the committee.
Mr. ANDERSEN. It has been good to have you with us.

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FRIDAY, MARCH 11, 1955.

## SOIL CONSERVATION

### WITNESS

### HON. J. W. TRIMBLE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Mr. MARSHALL. At this time one of our colleagues, Mr. Trimble, has a brief statement he would like to make to us about the need for soil conservation. We will be pleased to hear from you.

Mr. TRIMBLE. Mr. Chairman and members of the subcommittee, I do not want to take much of the time of your busy subcommittee. I do, however, wish to add my voice to those who are asking for an adequate sum for the continuation and broadening of our upstream

development program. Every muddy stream is an indictment of all of us. We hold the land in trust for those who are to follow us. I like the way Luther H. King, of Clarksville, Ark., puts it:

What can we expect of our boy, a young man who wants to farm, and is prepared by experience; has taken his training in our agricultural schools and has the know-how about farming. He has only the means that God gave him to start with; plenty of energy and ambition to succeed, but no means to work with. Place him on the average eroded farm. He has to make a living and would like to earn a little money, but he has the problem of rebuilding the soil that his ancestors have permitted to wash away for over 100 years, and he is supposed to build this soil up for present needs and the 200 million people which we expect to have in the not-too-distant future.

You know as well as I know that he will starve to death, let alone paying for the farm, save some money, and rebuilding the soil, without some aid.

Should the sins of our ancestors in letting this soil wash away be placed on this boy; something entirely beyond his control; something he could not help? I emphatically say "No." Do you expect him to build this soil up to feed this anticipated 200 million people without aid? Again I say "No."

Whose duty is it to rebuild the soil. I say that it is everybody's. Everyone who eats food should pay for this mistake of our ancestors and not this poor boy alone.

Who can claim that this is a waste of money or bad economy to aid this boy. No one with a sane mind. We are only saving our own hides in furnishing this aid.

I was born and reared on the farm and have farmed all of my life and know from experience the problems of soil erosion. I have seen millions of tons of topsoil go down the little gullies into the small streams and on into the Arkansas River, never to be of any use again. I can think of no worse economy than to permit this to continue. While I am writing this it is raining down in torrents and it makes my heart heavy to think of all the soil that is getting away from us forever. This soil means food; it means life. You cannot eat the soil, but you can eat the food that it produces, and if this soil could be converted into food, and it was being wasted, as it is now, we would be calling in the United States Army to stop it.

Our national debt is big and it would be fine to balance the budget, yet we could live without either, but we cannot live without food, and soil means food.

Are we going to reduce our standard of living to that of the Chinaman and our eastern Asiatic countries and be on starvation? We will if we don't conserve our soil. Our population is increasing and our soil is decreasing. God only gave us so much soil and he placed us guardians over it. We have done a bad job. Christ promised forgiveness of sins and I think it is time we ask forgiveness for wasting our greatest national resource and pledge ourselves now not to lessen soil conservation, but increase it if any change is made.

I know that some people say that it is a donation to the farmers. It is not. It is a donation to save our lives. We cannot help the mistakes of our ancestors in not conserving the soil. Some say the farmers cheat on the program. Maybe a few farmers did cheat a little in the beginning of the program before they were educated to the workings and benefits of the program, but today I don't think one single man can be found cheating in our county. I, personally do not want one cent donated to me and I think the great majority of farmers feel the same way. You know that our farmers are honorable and honest in the main and their occupation has made them by nature self-reliant and independent, and I resent the charges of donation and cheating because I know it isn't true.

What can be done to save the soil? Build ponds and small lakes to save a lot of the overflow. Water is always needed on the farm for irrigation, stock water, spraying, fish raising, and fire prevention. Terrace the land to prevent an accumulation of water which makes the gullies. Cover crops, especially legumes, stop erosion, furnish grazing for livestock, and the surplus may be made into hay and silage.

Fertilizer is an absolute necessity to start the cover crop. It is astonishing how fast the soil can be reclaimed with cover crops, fertilizer, and erosion control.

What to do? The least Congress can do to save the young man on the farm and to save our own lives is to maintain the soil-conservation program. I have farmed 62 years and these ideas are not "pop-ups."

I respectfully submit this for your consideration.

Mr. MARSHALL. Thank you for bringing this helpful statement by Mr. King to our attention. We always are glad to see your interest in these problems with which we are concerned. Thank you for coming, Mr. Trimble.

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FRIDAY, MARCH 11, 1955.

## INSPECTION SERVICE

### WITNESS

### HON. HENRY ALDOUS DIXON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF UTAH

Mr. MARSHALL. Now we shall be glad to hear from Congressman Dixon.

Mr. DIXON. My name is Henry Aldous Dixon. I represent the First Congressional District of the State of Utah. Prior to the 1st of January of this year I was president of the Utah State Agricultural College in Logan, Utah, a position which made me conscious of many of the problems faced by poultry producers.

I am here to request your committee to replace to the budget of the Department of Agriculture $100,000 which formerly was earmarked for poultry and egg inspection. It is my understanding that these funds have been used to pay a trained veterinarian for inspection and grading of poultry producers. I feel that this practice is in the welfare not only of the producer, but also of the ultimate consumer.

The inspection of red meat has long been an accepted practice and has been paid for exclusively by Federal funds. This practice has guaranteed to the consumer that the quality of Government-inspected meat would be recognized by wholesaler and housewife, as a high-tested seal of quality. It is my feeling that the $100,000 appropriation for this same purpose in the grading of poultry products is not out of line with accepted inspection practices carried on in the field of red meats in the Department of Agriculture.

I have been informed by the poultry producers of my district that the removal of these funds would place poultry inspection on a voluntary basis and in many cases this inspection would not be carried out because such costs would fall back upon the processor. I feel that the producer, processor, and consumer would all benefit if the same practices which are used in the processing of red meat could be carried into the inspection of poultry products.

Mr. MARSHALL. Thank you for appearing before our committee. It is good to know that another man who is deeply interested in agriculture has come to Congress.

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